FINANCIAL TIMES

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World News

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W German police battle to control soccer mobs

Pulica charged hundreds of marauding West German soccer fans in the centre of Düsseldorf as violence flared after the Netherlands beat England in the European championship. Lines of police tried to disperse a chanting German mob which was running towards the tailway station, scene of serious clashes on Tuesday night. Following violence at the championships, tough meathe championships, tough measures to curb football hooliganism will be considered today at a meeting in London chaired by Mrs Margaret Thatcher, the Brit-ish Prime Minister. Page 18

Four die in blast

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Four people were killed and many injured in a bomb attack last night in Lishurn, County Antrim, Northern Ireland. There was no warning before the blast in a lorry parked near the town

Arab killed in blockade A 21-year-old Arab was killed in clashes with Israeli soldiers as Palestinians blocked roads during a day-long general strike in the West Bank and Gaza Strip.

Dalai Lama proposal

The Dalai Lama, exiled spiritual leader of Tibet, launched a compromise plan for his country's partial independence from China, recognising China's right to handle Tibet's foreign affairs. Page 4

Afghan border fight Thirty Moslem guerrillas were

reported killed in fighting over a key Afghan horder post just inside the border near Pakistan. There were also conflicting claims that the country's Air Force chief had been killed.

Fablus challenge

Mr Laurent Fabius, former socialist Prime Minister, made clear his intention to seek the Presi-dency of the French National Assembly, in a challenge to the previous incumbent, Mr Jacques Chaban Delmas, a Ganllist baron and former prime minister.

Remaking Soviet history

Soviet educators cancelled history exams for 53m pupils and ordered massive revisions in his-tory textbooks because they said much of what has been taught is false. Page 2

Vietnamese withdrawal Vietnam announced it would withdraw its military command from Kampuchea on June 30 as

part of a pullout of 50,000 troops by the end of the year. Prayers in the woods Outlawed Ukrainian Catholics celebrated the 1,000th anniverary of Kiev's conversion to Christian-

ity by holding secret Masses in forests. Catholic talks in Moscow, Page 2

Toxic waste treaty An international treaty controlling hazardous waste disposal could be signed by next March but might take years to imple-ment, a UN Environment Program (UNEP) official said.

Sikh gunmen kili 10

Sikh extremists gunned down 10 people, including five Hindus, in the northern state of Punjah. The latest killings raised to 1,304 the number of people killed in Punjah and people killed in Punjah a jah since January.

Panama leadership

West Germany recognised acting Panamanian President Manuel Solis Palma when its new ambas-sador, Mr Klaus Meixner, pres-ented his credentials at the presidential palace.

Soweto Day

Commemorative services are scheduled today in black town-12th anniversary of the student uprising in Soweto.

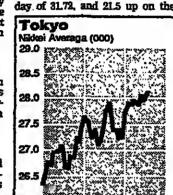
Business Summary

Clowes arrested by Fraud Squad

by about 10 per cent the value of its bid for Irving Bank, its large Wall Street rival, but no end seemed in sight to the ninemonth battle over Irving's future.

WALL STREET: The Dow Jones industrial average closed np 6.93 at 2,130.40. Page 40

TORYO: The Nikkei index closed at a record 28,093.52, a rise on the day of 31.72, and 21.5 up on the



April 1988 June previous highest. During the day the index tonched 28,294.06, World stock markets, Page 40

DOLLAR closed in New York at DM1.7545, Y126.32, SFr1.4680 and FFr6.9125. It closed in London at DM1.7530 (DM1.7465);Y126.20 (Y126.40); SFr1.4660 (SFr1.4625); FFr5.9125 (FFr5.8900). Page 29

STERLING closed in New York at \$1.7870. It closed in London at \$1.7865 (\$1.7850); DM3.1325 (DM3.1175); Y225.50 (unchanged); SF12.6200 (SF12.6100); FF110.5625 (FFr10.5150). Page 29

FRENCH Stock Exchange is due to rule today on the long-suspended offer by Schneider, the construction and electrical equipment group, for Telemecanique, the industrial automation specialist. Page 21

ALAN CLORE'S fil-fated involvement in the US aluminium industry ended yesterday when the British financier, son of the late Sir Charles Clore, resigned as

chairman of KaiserTech. Page 19 SOVIET UNION: Sweeping plans for economic reform, including removal of virtually all consumer industries from central planning and introduction of interest rates to control credit, have been put forward for this month's Commu-

mist Party conference. Page 3 MALAYSIA commissioned Schroders, tha British merchant bank, to draw up a plan for its

privatisation programme. BRITISH PETROLKUM is closer to its \$250m (£139.8m) acquisition of US gas distribution company Lear Petroleum, whose board has recommended the deal, which is

supported by preferred stock holders. Page 24 GENCORP, US manufacturer of automotive and defence compo-

nents, has reported a first-half recovery from the restructuring which drove it into the red last year. Page 19

IAN HAY DAVISON, former chief executive of Lloyd's of London, has been appointed chairman of CL-Alexanders Laing & Cruick, shank, the London investment which said that the move would a desire to avoid a further conbanking arm of Crédit Lyonnais, the large French state-owned bank. Page 19

US farmers fear for crops as heat and futures surge

surge in farm commodity prices Farmars in the emergency on the Chicago futures exchange. states, from the Rocky Mountains

Ministry has offered additional prising the French, West Germagetary guarantees of np to man, British and Spanish
DM4bu (\$2.3bu) to cover possible
exchange rate-related losses on
sales of the European Airbus airliner during the 1990s.

The west German, British and Spanish
aerospace groups.

Proposals for Daimler-Benz to
take more than 30 per cent of
MBB as well as management con-

The plan, which gained general trol are being given strong politi-backing at a ministerial meeting cal backing in Bonn, where it is in Bonn last week, is intensely seen as a way of safeguarding the

controversial and a final decision future of the heavily subsidised will not be taken until later this Airbus project and restructuring.

It is likely that any extra finan-cing will anger the US Govern-ment, which has fought a long-running battle with Airbus part-ners in an effort to phase out MBB would create a giant with

THE US Department of Agricul- drought and to discuss aid to corn (maize) and soyahean crops. ture has declared a drought farmers. Cattle pasture conditions are the worst since the 1934 can Agriculture Movement, a temperatures and relentless dry Dust Bowl and livestock has been farm Inbby, says: In two more to use weather threaten the farm belt. sent to market earlier than usual The conditions have led to a because of a lack of grazing.

on the Chicago futures exchange. states, from the Rocky Mountains Mr Richard Lyng, US Secretary to Texas, have been allowed to not agriculture, was yesterday reopen land set aside under a briefing vice president George government programme to curb Bush and Senate minority leader overproduction. The land is being Robert Dole on the drought.

Mr Lyng told Congress on but offers little respite because Tuesday that major parts of the its growth has also been stunted US were nearing a crop disaster. by dry weather.

A bi-partisan congressional group In the combelt, the next two weeks are crucial to the fate of ing seeds of moisture for germinate at first planting. Crop yields are already expected to be low this year because the drought has occurred so soon after farmers in the Midwest completed their plantings, depriving seeds of moisture for germinate at first planting.

Bonn proposes extra

DM4bn funding for

possible Airbus losses

THE West German Economics hus industrie consortium com- agreed to take over a large part

in recent years, Daimler, West

subsidies in world aircraft manu-turnover of DM74hn straddling MBB takeover are likely to focus

can Agriculture Movement, a farm labby, says: "In two more weeks we will be getting past the time for planting more soyabeans and past the point of return for

of present and future risks con-cerning West German participa-

tion in Airbus. Daimler's hard

line, characterised as "poker" by senior Bonn officials, has split

the Government.
Mr Gerhard Stoltenberg, the
Finance Minister, reluctantly

agreed last year to spend a total DM4.9bn up to 1996 to back devel-opment of the new A-330/340 mod-

els. Mr Stoltenberg agrees on the need for more help to clean no the Airbus balance sheet, but he

is trying to secure a higger com

Further talks on details of an

mitment from Daimler

in addition, farmers with irrisurge in grain prices, already gation systems are being forced soaring this year as the US pulls to use them two months earlier itself out of its farm crisis. than usual, substantially pushing up their production costs.

The long-range forecast makes portions of the eastern combet rushed to hedge against crop look the most vulnerable, the US damage in a long drought. However, grain prices have weather has continued for long enough to deplete reserves of subsoil moisture. This makes any relief from showers, forecast for today, likely to be only temporary.

on the drought to extend the Trading in the exchange's grain futures contracts has been

rary. of Sears Roebuck, says traders on Commodity traders at the Chicago Board of Trade have seized Continued on Page 18

Soviet press says Armenian issue may hurt reform

BY QUENTIN PEEL IN MOSCOW

THE SOVIET PRESS warned yesterday that ethnic unrest in Armenia, where the Supreme Soviet bas endorsed popular demands far a boundary change in the republic's favour, could undermine Mr Mikhail Gorba chev's reforms and hoost the

strength of conservatives.

At the same time, Pravda newspaper published proposals for sweeping changes in the Soviet economy, including the emoval of most consumer industries from the centrally planned economy and the introduction of

interest rates to ration credit, The proposals, clearly intended for debate at the forthcoming Communist Party conference, also envisage the establishment of a competitive banking sector and by implication, a bankruptcy

in Yerevan, the Armenian capital, the republic's Supreme Soviet (parliament) backed demands for unification with the mountain

strennously opposed by Azerbai-jan itself and resisted by Moscow. aggravate the pressure on Mr members rejected any separate move from the enclave.

So far Mr Gorbachev and fel-It seems certain simply to leader, to find some way of defusing a dangerous ethnic and refi-low members of the ruling Politrepublics. Armenia and Nagorno-Karabakh are majority Christian, a big programme of investment lous hvalry detween the two

The first open political comment on the disturbances was Party - which warned that the jail sentence of 15 years for a whole situation in TransCaucasia youth who confessed to murder.

was "a blow at perestroika, ... A

Honecker rejects Soviet reforms

Mr Erich Honecker, the East German leader, has rejected any idea that he should adopt the political and ecanomic reforms being implemented by MrMikhail Gorhachev, the Soviet leader. "Present devel-opments in the Soviet Union have arisen from Snviet needs," he said in an interview published yesterday. Page 18

challenge to the ideals of glasnos (and) a chance for conservative to strengthen their point of

The newspaper called for a curb on protests, which in Nagor-no-Karabakh itself have left the ruling party and government agencies confessing themselves out of control However, the vote The move confirms the mass popular support in the republic for a border change, which is strennously opposed by Agental though a largely symbolic body, has given the nationalist protest an official credibility.

Its views were the approximately the strength of the stren Its views were the opposite to those expressed by the praesid-ium of the Azerbaijan Supreme

Soviet only last weekend, whose have w

whereas most of Azerbaijan is in the enclave and to promot more Armenian control and culture there. However, the nationalist feel-ings have been further inflamed ment on the disturbances ings have been nuruer inname molskaya Pravda – journal of by the trials of the Sumgait rioters, the first of which produced a least of the Communist

Remaking history, Page 2

IF YOU CAN MANAGE A

Rockefellers forge link with French industrial dynasty

Is there a British

miracle? Page 17

economic

By Paul Betts in Paris

THE ROCKEFELLERS are forging links with the Wen-dels. France's oldest industrial dynasty, hringing together America's former oil barnns and the farmer steel barons of

Rockefeller and Co, the threatment advisory company which manages the \$4hn assets of the 85 Rockefetter helrs, plans in invest between FFrit50m and FFr500m (\$85mlin Marine-Wendel This is a holding company 60 per cent cootrolled by the 360 heirs of the Wendel family heirs of the Wendel lamily grouped together in another family holding called Les petits fils de François de Wen-del et Cie.

Through Marine-Wendel, the Wendel heirs nwn 45,3 per cent of Compagnic Generate d'in-

dustrie et de Participations (CGIP) formed with the leftovers of the Wendel industrial assets after the nationalisation of their Sacilor steel group in

From the ashes of the steel industry of Lorraine, CGIP has revived the family fortunes by moving into new high technol-ogy and industrial sectors. With aunnal sales of

FFr10hn and profits excluding minority interests last year of FFr550m, CGIP is the principal shareholder in the Cap Gemini electronic software group and of the Carnaud packaging con-

The Rockefellers are expected to acquire a stake of up to 10 per cent in Marine-Wendel throogh a new share Issue with warrants dne to be approved next munth. The shares will be issued above the current market price, hut the Wendel family will continue to hold majority control.

The Rockefellers and CGIP have already been associated in venture capital activities in the Far East. But the decision of the American industrial and financial dynasty to invest directly in the Marine-Wendel holding reflects in large measure the friendship belween Mr David Rockefeller, the former chairman of Chase Mantoine Seillière, the chairman of CGIP, who represents the ninth generation of the Wendel steel dynasty.

ing their steel empire in 1704. By the beginning of this century, they rivalled the Krupps, the Dn Ponts and even the Rockefellers themselves in industrial wealth until they Continued on Page 18

subsidies in world aircraft mannfacturing. The proposed extra funding is part of an attempt to persuade Daimler-Benz, the West German motor and electricals conglomerate, to take a controlling stake in Messerschmitt Bölkow-Blohm, the aerospace concern which is West Germany's shareholder in the four-nation European Airbus ket dominance, as a private cities, which has yet to be approved by the full Bonn Government, also includes a plan by the Government to take a small direct stake, perhaps about 5 per cent, in the Toulouse-based Air The proposed extra funding is part of the country's aero industries. Mr Wolfgang Kartte, chairman of the Federal Cartel Office, which would have to vet any deal, said last night that while soffice's decision would have to be made on the criteria of market dominance, as a private cities, he would feel "unease" at the "concentration of economic shirt of losses which could arise should the dollar, the currency in which also includes a plan by the Government to take a small direct stake, perhaps about 5 per cent, in the Toulouse-based Air The proposed extra funding is space and defence technology on the nature of the proposed exchange rate guarantee to cover Airbus business. The Economics Ministry has suggested indemnifying MBB, which has a 37.9 per cent stake in Airbus Industrie through its Deutsche Airbus subdictions which could arise should the dollar fall below DM1.60. A fall in the dollar, the currency in which are priced internation—ally, penalises Airbus's European partners whose costs are largely in European currencies, Last the Government to take a small direct stake, perhaps about 5 per cent, in the Toulouse-based Air-US rivals' proposals sought

BY GUY DE JONQUIERES, INTERNATIONAL BUSINESS EDITOR, IN LONDON

Afribus industrie is asking tria want both to expand the Lockheed and McDonnell Douglas of the US to make firm proposals by October for collaboration on development and production of a 180 to 200-seat version of the European consortium's A320 short-haul passenger aircraft.

The rivel proposals would be

summer or in the autumn.

pnt to the Airbus Industrie This would cost an estimated the A320 in the US.

Industrie Stretched version of the aircraft cussions with Lockheed, which whether to proceed with a "stretched" version of the A320.

Airbus Industrie says its discussions with Lockheed, which would involve an investment about three times larger.

Airbus Industrie man are much more advanced than a strength and it so, whether to do so alone or in partnership with a strength and it so, whether to do so alone or in partnership with a strength and production of the A320 in the US.

Airbus Industrie says its discussions with Lockheed, which are much more advanced than are much more advanced than a strength and production of the A320 in the US.

The managers of Airbus Indus- agree to these investments while

or in partnership with one of the American companies.

Amount so, whether to do so atome recognise that its four member which have been under way spongaries.

Amount so, whether to do so atome recognise that its four member which have been under way spongaries.

France and Iran restore ties

BY IAN DAVIDSON IN PARIS AND ANDREW GOWERS IN LONDON

not involve any change in French policy towards the Gulf.
The move came amid mounting

AMERICAN STORES, largest US supermarket chain following its supermarket chain following its stateent \$2.5bn takeover of Lucky Stores, warned that profits for the remainder of the year would be severely depressed because of the cost of financing the deal. The move came amid mounting signs of an improvement in ties between Tehran and London. Separately, Iran appeared to open the way for a reduction in the remainder of the year would be severely depressed because of the cost of financing the deal. Page 19

UK CENTRAL Electricity Generating Board confirmed that Control Data Corporation of Minnea polis had won a £28m (\$50m)

The deal rolling the deal rolling that the similar statutary policy of Mecca next month.

Mr Mehdi Karrubi, the leader of Iranian pilgrims, said Saudi authorities had barred Iranians from attending this year following a right at least more rolling.

FRANCE and Iran are workshop diplomatic relations today.

The restoration of diplomatic links, which were broken off last July as a result of a dispute over said they would be prepared to admit a reduced number of 45,000 miles with ran earlier this year, have said they would be prepared to admit a reduced number of 45,000 miles with range of 45,000 miles were killed. The Sancus, however, who broke off relations to the prepared to admit a reduced number of 45,000 miles were killed. The Sancus, however, who broke off relations to the prepared to the prep

A renewal of relations between France and Iran had been expected since the last three French hostages were released by a pro-Iranian group in Lebanon before the French presidential elections

last month.

In London, Mr David Mellor,
Minister of State at the Foreign
Office, yesterday apnke of
Britain's "policy of rebuilding
relations with Iran," and said the
release of Mr Roger Cooper, a in the past few weeks, Tehran
British businessman who has has been signalling a desire to
been held in Tehran's Evin
mrison for two and a half years.

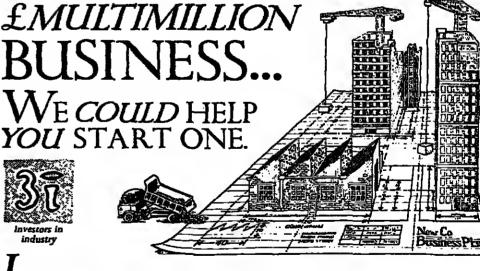
countries. ing a riot at last year's pilgrim- prison for two and a half years, countries.

FRANCE and Iran are to restore age in which more than 400 peo- would be seen as "a major step in diplomatic relations today. ple were killad. The Sandis, improving Anglo-Iranian ties."

ing with Mr Cooper's brother Paul, followed a notably conciliatory statement by Mr Mir Hussain Mousavi, the Iranian Prime Minister, who said in Tehran on Tuesday that relations with Britain, which deteriorated sharply last year as a result of a tit-for-tat diplomatic dispnte, were improving. Last week's compensation talks over damage to the Iranian and British embas sies in each other's capitals dur-ing the Iranian revolution "can

Moscow: Soviet history rewrite taxes the text-

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Unit Trusts



new respect among his

MODEST TAKESHITA **PREPARES** TO STORM SUMMIT

Japan's Prime Minister may find

book anthors Geneva: Gatt highlights anti-dumping laws as "tool of trade" policy Technology: New methods help Caterpillar dig itself nut of a hole ... The fall of Aveling Barford: Down hut not

Group of Seven colleagues, Page 4

Editorial comment: Topping up the NHS; Bumpy road out of Afghanistan Lex Stock Exchange; Pilkington; Mercantile Sweden, Belgium: Surveys III. IV

Brussels split on **Euro-court** decisions

By William Dawkins in Strasbourg

URGENT PLANS to reduce the burgeoning workload of the Euro-pean Court of Justice and speed up its decisions on anti-dumping cases have created a division between the Brussels Executive

The split emerged when the Strasbourg Assembly voted yesterday to back the court's own proposals to set up a streamlined junior indiciary to issue quick judgments on competition cases, appeals against Commission-im-posed dumping duties, steel pol-icy and EC staff disputes.

But the Brussels authorities are determined to keep anti-dumping cases with the full court because they fear overstretched Commission trade officials might otherwise he swamped by appeals. At present court rulings on appeals against Commission dumping decisions are final. But companies would be able to appeal against decisions by the junior court on points of law.

The parliament's decision brought an immediate warning from Mr Jacques Delors, Commis-sion President. "If we move to enlarged world trade then there will be more anti-dumping cases." Lengthy cases in the court will only weaken our position," he told MEPs. The Brussels execu-

 Plans to liberalise the marthe way for formal adoption by memher states possibly naxt week. The scheme has already won member states adoption but MEPs insisted they had a duty to

WRITERS ARE WONDERING WHICH ARE THE 'BLANK SPACES' MR GORBACHEV WANTS FILLED

Soviet history rewrite taxes the textbook authors

THE DECISION by the Soviet about, and how many are still school authorities to cancel the taboo. written history exam for schoolleavers, and replace it with an task, for they are still being given (unmarked) oral test, is the most the same old lectures - for dramatic indication to date of the example on Bolshevik revolution-extent to which the Soviet his- ary Nikolai Bukharin - that

been commissioned to write next the Soviet Supreme court.
year's textbooks (they may not The debate on history goes to
meet the deadline of September, the heart of the whole process of they admit) as were responsible perestroika and glasnost in the for the last lot, now consigned to Soviet Union, and is proving to the scrapheap.

Soviet Union, and is proving to the scrapheap.

chev's glasnost has suddenly orthodoxy, have taken to attacking each other victously and openly in the columns of the students are having no such Soviet press, trading accusations luck. They will still have to sit of omissions and distortions in the disastrous miscalculations in the conduct of the Section world war - have come from writers, journalists and spaces they are supposed to know about the hlank spaces - above

That in itself will be no easy

tory books are being rewritten. were being delivered before he
Yet the same authors have was formally "rehabilitated" by versions of history.

the scrapheap.

They have simply been ordered to fill in the "blank spaces" in history which Mr Mikhail Gorbachev's glasnost has suddenly orthodoxy, have taken to attack-

AN EAST GERMAN party historian has censured Soviet newspapers for arousing the interest of the "imperialist mass media" with articles that question previously accepted

Professor Ernst Diehl com-plained that such articles dis-torted "the difficult hnt great history of the Soviet nation" into a "series of mistakes".

Addressing a recent session of the Central Committee, Prof Diehl said the East German party would take the offensive in a discussion with "anti-So-viet distorters of history" and

between revelations they can and cannot make.

The historians themselves

apparently still do not know where the dividing line is drawn

would not cease to speak the truth about the historical

achievements of the Sovlet

people and the Soviet Commn-

nist Party. The East German news

agency ADN last week fired a

broadside against a Soviet his-

tory professor, Mr Vyachislav Dashitshev, who recently

wrote in the newspaper Litera-turnaya Gazeta of the need to

criticise Soviet foreign policy and to subject it to controls. He was quoted in West Ger-man newspapers as having criticised the building of the Berlin Wall.

being asked to accept that the greater part of their post-revolu-tionary history is fatally flawed: that the 25 years of Stalin's rule was damned by the "cult of personality", and the 30 years that followed were no more than a

period of stagnation."
They are watching the process with a mixture of horror - at the sheer enormity of the crimes of the Stalin years, and of the corruption which followed - and disdain: for they nevar really believed the history books anyway, except for the purposes of writing exams.

For the intelligentsia and the ruling party itself, however, it is proving a truly traumatic exer-

So far the dividing line seems to be that any revelations about crimes which can be hlamed directly on the cult of personality

will have the conviction that

years presidency. He has also drafted sweeping Western-style changes in the national financial

system, including the creation of nine credit banks and plans to

establish semi-independent com-

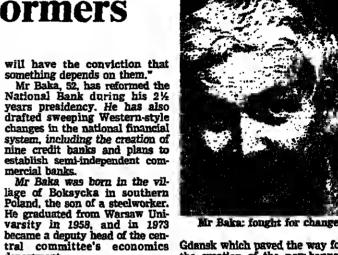
Mr Baka was born in the vil-lage of Boksycka in southern Poland, the son of a steelworker.

The show trials of the 1930s have been exposed, with the rehabilitation of Bukharin, and now fellow Bolsheviks Lev Kame-

Stalin's victims. More recently, the corruption of the Brezhnev years is equally permissible as a target for expo-sure, underlining the impossibil-

lty of turning back the new process of perestroilor. What went in between how-

ever, and what went before Stalin, is more problematic. demolish the myth of Stalin as



Cardinals' talks in Moscow are successful

By John Wyles in Rome

mey and Grigory Zinoviev, to and Joseph Glemp, respectively mention only tha most prominent. Scarcely a week goes by without one newspaper or completed an apparently managed and apparently apparently and apparently and apparently and apparently apparently and apparently apparently apparently and apparently app CARDINALS Agostino Casaroli without one newspaper or completed an apparently success-another running an article to ini trip to Moscow which has revive the good name of one of generated optimism about Sovi-

et-Catholic relations. They were attending celebra-tions to mark the millenium of Russia's conversion to Christian

Cardinal Casarolis's visit culminated in a 90-minute meeting with Mr Mikhail Gorbachev, the Soviet leader, on Monday. This crowned a mission which

what is being undertaken is a massive rewriting of the 12-volume history of the Second World war, which seems certain to demolish the myth of Stellar of Catholic Church and Soviet Cat frigid relationship between the Catholic Church and Soviet Communism and which could well lead to a meeting between Mr. Gorbachev and the Pope whenever the Soviet leader makes his long-promised visit to Italy.

Cardinal Casaroli had taken with him to Moscow a letter to Mr. Carbachev from Pope John. Mr Gorbachev from Pope John

Mr Gorbachev from Pope John
Paul II, the first such ever to
have been written to a Soviet
leader by a Pope.
Cardinal Glemp saw Mr Konstantin Charczew, the head of the
Soviet religious affairs office, and
the meeting has raised hopes that
Polish priests would be allowed
to work in the Soviet Union.
This September Cardinal

This Septamber Cardinal Glemp plans to visit Wilno in Soviet Lithuania as wall as the Byelorussian city of Minsk where he is to consecrate a catholic

 US evangelist Billy Graham preached in Kiev to at least 10,000 Soviets, his largest audience in Gdansk which paved the way for the creation of the now-banned Solidarity free trade union.

The following year Mr Baka was invited to join the cabinet as minister for economic reform, from Moscow.

Polish leadership changes favour reformers

A RESHUFFLE in Poland's lead expectations.

ership has raised the hopes of reformers. Advocates of change are particularly encouraged hy industry lohhy and leaves the the promotion to the Polithuro of Government of Mr Zbigniew Mesprofessor Waldyslaw Baka, the sure, the Prime Minister, looking antical hope charges are proposed. national bank chairman, who has isolated.

now been given overall responsibility for the economy.

while at the bank, Mr Baka bility for the economy.

concern at the country's economic performance and hinted at the prospect of changes in the political system.

tive is to decide next week how bility for the economy.

The changes came on Tuesday on money supply and at the same court and parliament to follow its advice.

The changes came on Tuesday on money supply and at the same the close of a two-day central time warned against the Government's price rise policy, which he correctly predicted would inten-sify npward pressure on wages. Mr Messner admitted to the central committee meeting that

This year is our 700th anniversary.

announced that capital spending firmly helieves his generation plans for 1989 and 1990 are to he will set the country on the road revised with these aims in mind. to steady development. The central committee also An economics professor who heard a commitment from party still lectures at Warsaw Univerchiefs that rules on the registra- sity, he wants to make the Polish tion of new associations would be aloty a convertible currency.
eased. General Wolciech Jaruzel"Since the mid-seventies 1 have eased. General Wolciech Jaruzel-ski, the party leader, hinted at fought for structural changes in

restructuring of industry, with is now ready to countenance the investment directed towards consumer goods production and party members would be allowed to canvass openly. Government has Reuter adds: Mr Wladyslaw Baka

firmly helieves his generation

the authorisation of a new Christian Democratic grouping.

The resolution adopted by the critical opinions (on how the Other appointments include at the end of May, the rate of handing the key propaganda portfolio to Mr Mieczyslaw points higher than the inflation Rakowski, who recently warned the party that it must change if it is to face the challenge posed by rising political and economic strongly in favour of a major than Democratic grouping.

The resolution adopted by the meeting also speaks of the possibility of the presentation within the party of rival political programmes.

This controversial suggestion shows that the party leadership system here under which people

He Joined a party commission which began drafting economic reforms shortly after the August 1980 agreement with strikers in

mercial banks.

Planning for 1992 and a stronger EMS

When set up in 1979, it was tary autonomy of central banks, lead to the uncontrolled interna-tional spread of inflation and eventually break down under the

ances.
It is now evident that these fears were unfounded. The EMS is working better than ever. It has become a stabilising factor behind the European and the world economy. The average inflation rate in the European Community has fallen from 12 per cent in 1980 to 2.4 per cent in 1980 more stable of the ERM. Sterling's full participation would give the system a new dimension and add further to its stability. The British economy would give the add further to its stability. The British economy would never all the advantages which go with a quasi-fixed exchange rate system. fears were unfounded. The EMS

in 1992 of the European internal exchange rate system.

market. The conditions for this step are good – perhaps better joining the ERM is closely followed in the Community and the differences with the Community and the difference with the Community and the community a

then at any time in the history of the Community.

Member states during the last few years have shown a high degree of accord on the priority to be given to price stability and on the necessity of carrying out policies of structural adjustment. Economic co-operation has improved.

Lowel In the Community and the Community and the Community and the Lifeth come to light should not be over-estimated. The Bank of England's discussion paper published in March by Professors M P Taylor and M J Artis provided statistical evidence that the EMS had stabilised currencies, while avoiding exaggerated monetary tensions.

The EMS will be further developed. It would be best if all EC success is due to the power to states were full members, but the influence markets of a Communimovement will go on even if ty-wide exchange rate policy. some countries do not yet wish to participate.

participate.

The short term goal is the complete liberalisation of capital movements in the Community and I welcome this week's agreemant in Luxembourg on drawing up a timetable for liberalisation. This is a key element of the internal market, of central importance for bringing together EC economies.

In line with this, all member states states should also take steps to allow international use of the private European Currency Unit.

Beyond this, all member states need to apply the rules of the EMS without conditions. We are very pleased that Belgium and Luxembourg, as part of capital

rejected by many experts. Evoking the final years of crisis of
Bretton Woods, they pointed to
the danger that a fixed exchange
rate system would end the monerate system would end the mone-Britain should entar the exchange rate mechanism and accept fully the responsibilities that go with it.

gives her view of the future of the European

exaggerated monetary tensions.

Bonn to push ideas on EC central bank study BY DAVID MARSH IN BONN

THE BONN Government is

likely to propose setting up a group of central bankers and other experts from European Community countries to study establishing an EC central

The plan, meeting the wishes of hoth Mr Gerhard Stoltenberg, the Finance Minister, and Mr Hans-Dietrich Genscher, the Foreign Minister, is expected to be raised at the EC summit on June 27-28.

Mr Stoltenherg, backed strongly by the Bundesbank, has leant towards placing a study in the hands of EC central bank governors. Both regard with some scepticism the common central bank objective - pressed strongly by France recently.

Mr Genscher, who has pleaded for West Germany to take a constructive line on the proposals, has favoured a body of outside "wise men" to look into the idea, which he regard: as essential to boost European

as essential to boost European political unity.

The notion of a joint group-ing, which could comprise two separate panels, has been put forward by Mr Otto Schlecht.

THE European Monetary System market liberalisation, intend to The argument that the use of represents one of the great successes of European integration. rate. Italy should also join the gen- reduced if it joined the ERM is

> international competitiveness. Beyond the short-term objectives lies a long-term question about the future currency strucabout the nature currency struc-ture in Europe. The establish-ment of a European currency union and a European central bank forms part of the logic of the European internal market. It is also a catalyst for necessary

economic convergence.

A European central bank should be set up on the basis of three criteria:

• It should give priority to the goal of monetary stability, but at the same time attempt to bring about appropriate growth, full employment and external economic balance. This is a necessary part of any modern mone-tary policy and corresponds to what has become the standard in

the Community. It should be independent of political interference. National experiences of juggling between monstary authorities, governments and parliaments can simply not be repeated at Community level. In West Germany, the independence of the Bundesbank has set a good example.

• It should have a federal struc-ture but should also incorporate a suitabla element of centralised decision-making. This takes account of the interests of all member states and would serve

to guarantee the future central bank's operational capability.

Pushing forward European integration has never heed merely a question of matter of fact, reasoning and logical rigour. It also requires vision and courage to take the first step.

That is why we are taking the initiative of putting further development of the EMS on the agenda at the European summit on June 26 and 27 in Hanover. It would be a great advance if the meeting would give a clear signal for the creation of a European monetary area and a European central bank.

Ms Adam-Schwaetzer is West German Minister of State for European Affairs

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In June 1288 Magnus Ladulas, King of Sweden, summoned his bishops to a meeting. Bishop Peter Elofsson, Bishop of Västeras, had found himself in dire financial straits a few years earlier due to his very costly enthronement. In order to offset these costs, he had sold the diocesan holding in the Copper Mountain to a relative. The cathedral chapter had insisted that it was bought back.

This transaction had been completed and

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Soviet call to free consumer industries

SWEEPING PLANS for economic reform in the Soviet Union, including taking virtually all consumer industries out of the centrally-planned economy, introducing interest rates to ration credit, and establishing a banking spector to compute for history and the introduction of tax incentives for somer industries out of the centrally-planned economy, introducing interest rates to ration credit, and establishing a banking sector to compete for business, were proposed yesterday for serious consideration at this month's extraordinary Communist narty conference.

He proposes the selection of potential growth areas where Soviet science can compete on the world market, and the introduction of tax incentives for enterprises in the "regulated zone" to invest in new capital equipment.

He proposes the selection of potential growth areas where sovieties are consideration at the world market, and the introduction of potential growth areas where sovieties are can compete on the world market, and the introduction of potential growth areas where sovieties are can compete on the world market, and the introduction of tax incentives for enterprises in the "regulated zone" to invest in new capital areas where sovieties are consideration at the world market, and the introduction of tax incentives for enterprises in the "regulated zone" to invest in new capital areas where sovieties are competed on the world market, and the introduction of tax incentives for enterprises in the "regulated zone" to invest in new capital areas where sovieties are consideration at the world market, and the introduction of tax incentives for enterprises in the "regulated zone" to invest in new capital areas where sovieties are consideration at the world market, and the introduction of tax incentives for enterprises in the "regulated zone" to invest in new capital areas where sovieties are consideration at the world market, and the introduction of tax incentives for enterprises in the "regulated zone" to invest in new capital areas where some ar

They were presented by Professor V. Kossov, and described by Tass, the government news agency, as the "key material" on the economy.

Prof Kossov proposes dividing the economy into two sections—the planned, and the merely regulated—with all major consumer-oriented industries in the latical major when necessary.

"curtail the activities of ineffective enterprises." He calls for the introduction of interest rates to introduction or interest rates to ration credit to enterprises, and prevent overheating of the economy, as well as to stimulate growth when necessary.

As for banks, he says they must become "genuine self-financing enterprises". . . Offering the control of the control of the economy into two sections—the planned, and the merely regulated—with all major consumers of the calls for the introduction of interest rates to oration credit to enterprises, and prevent overheating of the economy, as well as to stimulate growth when necessary.

As for banks, he says they must become "genuine self-financing enterprises" and prevent overheating of the economy. er-oriented industries in the lat- loans with a view to making profter. Only where an industry is its - competing with one serving a limited number of con- another for customers. sumers (such as the armaments industry) or producing a basic end product, such as the electric-banks are made distributors of

end product, such as the electricity industry, would it remain in the planned economy, he says.

Any attempt to mix the two systems would fail, ha says, hecause enterprises operating instead for salary differentiation partly under the planned economy, and partly independently, would end up being crushed by "party and government organisations demanding fulfilment of the plan."

His article amounts to the most authoritative commentary so far on the economic theses put forward by the central committee in a tough critique of the state for the party conference. It falls

son with the US, and the failure trally planned economy, but still

MR ROMANO PRODI, the presi-

dent of Iri, Italy's largest state holding company, has added his voice to high-level calls for the Italian Government to intervene to damp down domestic demand.

Mr Prodi says that the trend in

the Italian trade balance is "very worrying" following an accumu-

lated deficit in the first four

months of the year of L2,653bn (£1.1bn) compared to a surplus of

Iri chief urges Rome to

reduce domestic demand

month's extraordinary Communist party conference.

The proposals were presented in a major article in Pravda, the official party newspaper, clearly with a view to setting some guidelines for the crucial economic debate.

The proposals were presented in the decivity accepts the need for a form of bankruptcy legislation — totally excluded by Communist orthodoxy to date — saying government "administrative methods" have hitherto failed to "curtail the activities of ineffection accepts the need for a form of bankruptcy legislation — totally excluded by Communist orthodoxy to date — saying government "administrative methods" have hitherto failed to "curtail the activities of ineffection of the conference.

in a tough critique of the state for the party conference. It falls of the economy, he points to low short of some of the most radical labour productivity in compari
economic critiques of the cenof Soviet science to adapt its proposes many startling reforms research to industrial uses - in in the light of the present system.

Greece is understood to have for negotiations leading to a fed-eral settlement between the munities currently being pro-posed by the United Nations. No firm date has yet heen announced for the start of talks. Turkey reportedly countered has also confessed to being worried but says he wants to wait for the May trade figures before deciding whether to act.

will be withdrawn," be said. "Everything is open," he total cost of \$500m. Given that the area is one of the poorest in

ment and a struggling tourist dreou corroborated, comm more than L3,000hn in the same industry, the prospective invest on the significance of his talks period last year. Mr Giuliano ment appears good enough to stivith the Turkish Prime Minister on Cyprus

Ozal talks in Greece end without progress

By Andriana lerodlaconou

A THREE-DAY visit to Greece by the Turkish Prime Minister, Mr Turgut Ozal, ended yesterday without tangihle progress towards a resolution of key differences in the Aegean and Cyprus. But after the visit, the first of its kind in 36 years, both sides were vowing that the dialogue between Athens and Ankara is still alive.

Two urgent questions, how-ever, lingered after Mr Ozal's departure. One, how long the Greek-Turkish rapprochement launched by the Prime Ministers of the two countries in Davos last January can survive on words

And two, how the Greek Prime
Minister, Andreas Papandreou,
would manage to deflect inevitahle criticism for having received
Mr Ozal, until six months ago
considered the arch enemy of Hellenism, without having extracted concessions from him

on key prohlems.

Mr Ozal, however, professed himself well-satisfied. "Can you imagine me coming to Greece last year and giving a press con-ference? We have made big progress," the Turkish Premier told

journalists. The skeleton at the feast of Mr Ozal'a Athens stay was Cyprus, which the Greek side held up throughout as the key to a lasting improvement in relations.

Greek and Turkish sources of the cyprismed that the improvement in

confirmed that the issue of the withdrawal of Turkey's estimated withdrawal of Turkey's estimated 35,000 troops from Northern Cyprus, which it has occupied since 1974, was discussed in private sessions between Mr Ozal and Dr Papandreon. Turkey invaded Cyprus in the wake of a Greek military coup against the island republic.

insisted on the drafting of a firm timetable for the complete demilitarisation of the island as a basis Greek and Turkish Cypriot com-

with the position that troop withdrawal cannot be discussed in isolation from such a settlement, but must constitute a package However, it is understood that the Government is already pon-dering a package of measures

Following in the wake of Mr Carlo Azeglio Ciampi, the Government is already pondering a package of measures with constitute a package of measures for the Bank of Italy, who urged the Government into action a fortnight ago, Mr Prodi warms that "somethign must be done" in a felevision interview to be broadcast today on the daily Reconnula e Finanza programme by Rai 2, the state television service's second channel.

However, it is times stood that the solventment is already pondering a package of measures with constitutional and territorial issues.

Mr Ozal, however, allowed a glimmer of hope for progress to emerge in statements to the institutional and territorial issues.

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An airport at Sant'Anna, a few with constitutional and territorial instances.

Mr Ozal, however, allowed a glimmer of hope for progress to emerge in statements to the emerge in statements to the emer

"Far away, at the end of the tunnel, I see light," Dr Papanon the significance of his talks

EC expects steel output curbs to end soon

BY WILLIAM DAWKINS IN STRASBOURG

AN IMMINENT end to the output domestic demand.

formes. It could also improve the single steelmakers put the present obligatory system.

Steel, which is now having to their houses in order has looked shoulder the cost of buying extra quota to keep pace with booming of the property of their houses in order has looked increasingly likely over the past quota to keep pace with booming of the property of the present obligatory system.

The Brussels executive had new name for Finsider. Previously the inquiry was restricted and allow quotas to continue if the present obligatory system.

The Brussels executive had new outly the inquiry was restricted and allow quotas to continue if the present obligatory system.

controls which restrict half tha European Community steel out-put was virtually guaranteed yes-materials for the mechanical

put was virtually guaranteed yesterday when the Brussels Commission called for the system to be scrapped at the end of the month.

The decision, expected to get final consent from a meeting of the EC's 12 industry ministers a week tomorrow, is likely to cause was proposing to keep ontput tonnes of annual EC production potential now in the quota system. Total capacity is 140m tonnes. It could also improve the flotation prospects of British prices while steelmakers put their houses in order has looked

Mr Karl-Heinz Narjes, European Industry Commissioner. "Steel firms should now stand on their own feet."

without anowing the emergence arrangements of cartels or price arrangements of the extension of the quota allow the Commission to issue regime have not been fulfilled and it will therefore expire, said on its own initiative.

The scrapping of quotas is virtually certain because the industry is a long way from the "manifest crisis" that has to exist to Mr Narjes held out little hope for demands by Eurofer, the "club" of integrated steelmakers, for a temporary return to the voluntary quotas which existed for three years before the launch of the present obligatory system.

Inst Crisis that has to exist we make output controls legally possible under EC steel rules. Community hot rolling mills are on average running at 77 per cent of capacity, the best for nine years, according to the Commission.

The Brussels executive had

most successful since the new political impulse was given to relations at Luxembourg in 1984."

have responded to a surprise without allowing the emergence Friday to shut roughly three quarters of the EC's 30m tonnes production overcapacity. But in the event they offered no clo-sures out of the 10m tonnes over-capacity in lot rolled coil and were well short of target in

beams and plate.

The Enropean Commission yesterday enlarged the scope of its inquiry into allegedly illicit Italian government aid for its state-owned steel industry. Brus-scls is now investigating the legality under EC competition rules of government guarantees for the current debts of flva, the

Efta stumbles down path to accommodation with EC

BY ROBERT TAYLOR IN TAMPERE

MINISTERS from the European have reaffirmed a commitment to create a common economic space between their six-nations and the European Community: hut it is increasingly clear that the road to such a "space" is strewn with obstacles.

Apart from EC reservations, there are internal splits within Efta, highlighted at a meeting ere by the attitudes of Austria

its loyalty to Efta.

Publicly, most Efta governments seem reconciled to Auspary to come up with a plan by party to come up with a plan by November. tria'a position. Norway can hardly complain since it is also intensifying links with the EC and it may apply for member-

THE EC external relations commissioner, Mr added, describing yesterday's meeting "as the Willy de Clercq, warned Efta ministers yesterday that the movement agreed between the two groups four years ago in Luxembourg to create a European Economic Space was moving into "diffi-cult areas," writes Robert Taylor. "The balance between advantages and obligations of the two sides will become more prominent in the debate."

Bot he was not keen to widen the discussion about this at Tampere. "We must proceed prag-matically and beware of abstract debate," he

Anstria's Trade Minister, Mr Robert Graf, said his country intended applying to join the EC in the second half of 1989, even though it would have to wait a the legand would leave the six own right, or is it to become a trade policies through the means to a wider Europe centred to the organisation in its usualings with the EC. It spells out what the EC indeed, there is a crucial, the necessary changes will involve: the necessary changes will have a long-term future in its own right, or is it to become a trade policies through the removal of tariff and non-tariff. that sceland would leave the sixlong time for a reply, and even
longer before actually becoming
a member. Meanwhile, Austria
has promised to go on stressing
its loyalty to Efta.

The removal of all border common of tariff and non-tariff
the EC treats his country's fish
exports better that Efta does,
Ministers decided to dodge making a decision on free trade

Harmonisation of external own right, or is it to become a trade policies through the removal of all border common of tariff and non-tariff the EC.

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exports better that Efta does,
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The long time for a reply, and even the six own right, or is it to become a trade policies through the removal of all border common of tariff and non-tariff the EC.

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The removal of all border common of tariff and non-tariff the EC.

The removal of all border common of tariff and

Fish is only one of many sec-tors in which Efta has failed to

progress towards convergence. exchange regulations to form a action envisages a multilateral, parallel strategy alongside the EC's drive towards a single market.

was given to relations at Luxembourg in 1984."

The Community would not solicit new members. "I have heard the whispering in the corridors." he said. "During the greater part of the meeting there has been speculation whether Efta in time would split up because Anstria has indicated that it probably will ask for membership in the EC." If Austria applied for EC membership, it would be dealt with "in due course", he said.

The free movement of labour

and capital.

Efta is rightly worried that its trade will be hurt by the EC's concentration on developing its own internal market unless it can achieve direct influence on EC decisions before they are made. The document also high-lights in detail the obstacles to convergence between the two

Among them:

 Changes in VAT and purchase tax which are much higher in Efta countries like Sweden and Norway than they are in the EC.

The removal of all border con-

tors in which Efta has failed to ket.

Says.

Fish might have obsessed some produce a common internal policy. It is going to be hard for these six nations to overcome dence of the difficulties that face vices and transport.

Fish might have obsessed some of the difficulties that face vices and transport.

European cultural TV channel on air at start of next year

miles from Croton

developed together with associ-ated base facilities at a reported

Italy with high youth unemploy-

PAUL BETTS IN PARIS

vice's second chann

launch of France's TDF-1 direct broadcasting satellite.

The French government has actively supported the creation of wide variety of cultural and eduties new European channel cational programmes starting at known as La Sept, or Channel noon and ending at 2am. Seven during the past two years. But Mr Georges Duby, chair-man of tha new channel, man of the new channel, tions with major European televiations with major European televiative.

Sept's fixture hinged on the successful launch next October of the Errorch divert broadcasting. the French direct broadcasting

been hedevilled hy delaya because of a combination of tech-However, the satellite is crucial for the transmission of the new

THE European cultural television channel is ready to go on the air at the beginning of next year if there are no further delays in the burst a pan-European service.

French government-owned chanches state broadcasting bodies.

Apart from films, theatre, opera, documentaries and other cultural programmes, the new

cational programmes starting at noon and ending at 2am.

La Sert has already and ending at 2am.

La Sert has already and ending at 2am. La Sept has already negotiated a large number of joint produc-

Mr Duby insisted yesterday on the European character of the new channel, which plans to air a European scale.

programmes using institutes of learning to create what Mr Duby called "a European Open Univer-

the French direct broadcasting

The project was originally set time involve French programmes atellite.

The TDF-1 programme has of FFr 60m (£5.7m). Its sharehold
Buropean character.

ers include the French state
regional television network FR3
with 45 per cent, and the French
government with 25 per cent,
with the balance held by other

attripean character.

The channel has already built
up a stock of more than 2,000
hours of programmes largely
through co-productions involving
an investment of about FFr 730m.



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Curbs on advertising proposed

BY RAYMOND SNODDY IN MUNICH

could davastata financially Britain's independent television

film being interrupted more than once and ban advertising in news programmes of less than 30 minutes. Longer news programme would be allowed commercial breaks every 20 minutes.

Some of the most lucrative

less than 30 minutes. The proposed convention is primarily designed to establish a November legal framework for satellite tele-

Europe has proposed restrictions ITV companies can be picked up on television advertising which in at least part of another mem-

It has agreed rules on advertisements which would prevent a tain to reject the clauses on the interruption of programmes hy advertising and enter a "reserva-tion," which means that even if it ratifies the convention it would not implement these provisions.

The chairman of the steering tobacco advertising would be group, a Dutch civil servant, Mr banned, but the advertising of advertising shown on British television is in the middle of News at Ten, the flagship programme of independent Television is independent Television would be ready for advertising the British position to be ready for advertising the British position and the ready for the Country of the Count sion News and a programme of cil of Europe - a body primarily which could apply to all the concerned with human rights -

lt would legitimise satellite broadcasting

A COUNCIL of Europe committee vision with binding arbitration in broadcasting, set minimum standarding up a convention on the case of disputes. But because dards of taste and decency, and cross-horder broadcasting in the broadcasts of virtually all the give "everyone a free passport to Europe has proposed restrictions ITV companies can be picked up all the cable networks of Europe". If Britain did not accept ber country of the 21-nation council of Europe they qualify as cross-border broadcasters. the provisions on advertising, he said. British hroadcasters would have to reach bilateral agreements with other countries on

> The proposed convention would set a ceiling of 15 per cent of air time on advertising, with an additional 5 per cent for teleshopping - the direct selling of goods to the audience. All

European nations in preference at a conference in Stockholm in to the planned European Commu-nity directive on trans-frontier

Swapo to hold talks with white **Namibians**

LEADERS of the South West African Peoples Organisation will meet a group of prominent white Namibians in Sweden this weekend to discuss how Namibia might be ruled independently of South Africa, Swapo said yesterday, Reuter reports from Stock-

"The white community wants tn know what kind of government Swapo could offer, without the taint of South African propa-ganda which paints us as terrorists," Mr Niilo Taapopi, Swapo's Nordic representative said in a telephone interview. "More and more whites are recognising the need to do away with apartheid and start a new way of living in a non-racist society," he said. Mr Sam Nujoma, the Swapo leader, who is banned from Nami-hia, will head the nationalist del-egation, Mr Taapopl said. The white Namihian group

includes farmers, lawyers, academics and businessmen and will be led by Mr Brian O'Linn, a lawyer who has campaigned to rally white support for a United Nations peace plan for the

region.

The political wing of Swapo operates legally in Namibia, but its guerrillas are waging a hush war against South Africa, which has ruled there in defiance of the

UN for two decades.

The two delegations arrive in Stockholm on Saturday and will have talks from Sunday to Tuesday, Mr Nujoma will also have informal meetings with Mr Sten Andersson, Sweden's Foreign Minister, and other members of

Sweden is one of the largest aid donors to Swapo. Most of its budgeted SKr73m (£6.7m) aid for Swapo for 1988, will go to Swapo refugees in Angola.

Iran embassy in NZ

A DELEGATION from the Iranian embassy in Australia arrived in Wellington yesterday seeking a site for an embassy in New Zealand, Dai Hayward writes from Wellington.

Opening the embassy will improve trade between the two countries, at present balanced in favour of New Zealand.

In February, the New Zealand Meat Board signed a new contract to supply 70,000 tonnes of lamb and 30,000 tonnes of mutton to Iran this year.



Ian Rodger reports on Japanese preparations for a leading role at the Toronto meeting

Modest Takeshita prepares to storm summit

he would not try to take a leadit, they have both the resources
ing role at the summit of the
heads of government of the seven
largest Western industrialised
largest Western industrialised nations in Toronto next week.

However, these annual ecoprising indeed if some event, seen from Tokyo. "Without either staged or spontaneous, did Japan, the world cannot do any-not occur in Toronto to underline thing," he said.

not occur in Toronto to underline the dramatic increase in Japan's importance and reputation in the world in the past year or so.

Those increases are due to Japan's surprisingly vigorous, if belated, actions to open some of its markets to imports, to the big boost in its aid to developing countries and to its success in stimulating the domestic economy. In a very short space of time, Japan has gone from being the West's favourite whipping boy to a respected locomotive of world economic growth.

The also highlighted the contrast between Mr Takeshita's position at the summit and that of his colourful predecessor. Mr Yasuhiro Nakasone. Mr Nakasone had a much tougher role to play, fending off the criticisms of his peers while trying — with considerable success — to the people back home that Japan now merited a place near the centre of the group photograph. "Mr Takeshita does not have to dramatise Japan's position," the official said.

"I AM by nature reticent," Mr
Noboru Takeshita, Japan's Prime
Minister, told a group of foreign
reporters in Tokyo yesterday.
It was his way of saying lead
it they have both the recovery less and less room to manoeuvre.

Last week, a senior Japanese nomic summits are often as foreign ministry official much about appearances as expressed with uncharacteristic about issues and it would be sur- bluntness the new status quo as

has visited every one of the leaders who will be attending the summit and so, while he may be self-effacing in public, he is unlikely to be a waliflower in the private discussions.

Appearances apart, the Japanese are heading for the summit with fairly modest objectives. Their main concern is about the world's trading system. They say they are worried about the trend towards the formation of big trading blocks, such as the pro-posed free trade zona between Canada and the US and the planned unification of the European Community market in 1992. The Japanese say they fear that these blocks will discrimi-nate against outsiders and they like to point out that the majority of the world, including Japan, lies outside these blocks. So they will wag their fingers at the Europeans and the North Americans, admonishing them not to stray from the rules of the multi-

ausing economies of East Asia. country supporting huge trade (The widely-used term newly industrialising countries has contrast, has large surpluses been dropped lately because with them, although imports into be called countries.) And that leads to its second main objective at the summit. at the summit.

The Japanese see themselves

In fact, Japan is also husly sury Secretary, are too aggressive creating its own trading block, in their demands on the NISS, cementing economic and trade relations with the newly indicate. relations with the newly industri-relations with the newly industri-alising economies of East Asia. country supporting huge trade

aging anont the European ten-dency to look on the NIEs as a as the defenders of the NIEs disruptive element in the world against the attacks of the US and economic order.

to revalue their currencies substantially, open their markets and generally take on the pressures and responsibilities of normal developed countries.

The Japanese view is that the NIEs should be congratulated for their contribution to world economic growth. It should also be recognised that the NIEs are still rather fragile and should not be overburdened with responsibilities.

For the rest, the Japanese are hoping for what one official here has called a "satisfactory" sumbit, which means that not much will happen. They are eager to spend a lot of time giving US and a honomichi, a flower strewn farewell from the stage, although at least one Japanese are hoping for what one official here has called a "satisfactory" sumbit, which means that not much will happen. They are eager to spend a lot of time giving US and a honomichi, a flower strewn farewell from the stage, will happen. They are eager to will happen. They are eager to spend a lot of time giving US and a honomichi, a flower strewn farewell from the stage. When the president results are the president results and the president results and the president results and responsibilities. For the rest, the Japanese are ties. briefing on the summit without in Japan's view, some US once mentioning the name Rea-Administration officials, particu- gan.

Dalai Lama 'would not head Tibet government' by William Dawkina In Strasbourg

THE Dalai Lama, exiled spiritual leader of Thet, yesterday launched a far-reaching compromise plan for his country's partial independence from China but said be would take no active partial and These Country's partial and These Partial Country's partial and These Partial Country and T in any Tibetan Government.

The revelation is expected to

come as a blow for many of the 6m Tibetans who have demonstrated for his installation as the head of a fully independent state. Speaking at the European Parliament in Strasbourg the Data ment in Strasbourg the Daial called for Tibet to become self-governing in association with China which would keep control of most foreign policy, all of defence and maintain a "restricted military presence" in the country.

the country.

The plan, the first time the Dalai has publicly espoused limited self-determination for Tibet, was forwarded to the Chinese authorities yesterday. It is likely to irritate Peking which has been to irritate Peting which has been exerting pressure on the Dalai not to make political statements. Under the Dalai's plan, while China would control most foreign policy the Tibetan Government would be in charge of foreign relations in "religion, commerce, education, culture, tourism, science, sports and other non-politi-cal activities," said the Dalai,

THAILAND'S Planning Agency has revised its forecast for this year's economic growth to between 8 and 9 per cent, a ten-year high, as manufactur-ing exports continue to surge. Two years of accelerating growth has put some infra-structure under strain, but the Government is also enjoying a

The National Economic and Social Development Board now believes an annual growth rate

Infrastructure investment plans, many of which will have private sector participation, are also to be revised. But with likely rapid export expansion, congestion is expected to worsen at Bangkok at least until a deep-sen port is com-pleted 60 miles south-east of the capital in 1991.

Dukakis defence speech

reassures the doubters

Thai economic growth forecast raised to 8-9% By Peter Ungphakorn

in Bangkok

growth in tax revenue that will allow more investment in much-needed port and other freight facilities.

of 7 per cent is possible for the current five-year development plan that began in October 1986. The original target was 5

HK gets tough with boatpeople

By Kevin Hamiin in Hong Kong FROM TODAY Hong will treat new arrivals of Vietnamese boat-people as illegal immigrants unless they can prove they face persecution in their borneland. The policy, announced yester-day by Sir David Ford, the Chief Secretary, follows a sharp accel-eration in Victuamese arrivals to the territory this year, and the emergence of intense opposition from local political leaders and

Hong Kong people to the decade-old first asylum policy. Immigration staff will interview all boatpeople to determine if they are refugees. The United Nations High Commission for Refugees definition, which cate-gorises a refugee as anyone who fears persecution on grounds of race, religion, nationality or poli-tics, will be applied.

By David Buchan in Brussels

to Ethiopia

EC to release

Ecu 100m aid

THE European Community is to release Ecu 100m (£66m) in project aid to Ethiopia, partly project aid to Ethiopia, partly in the hope of persuading the Addis Ababa government to permit the return of private charity aid workers who have been the channel for most EC emergency food aid. EC aid of Ecu 79.6m was unblocked for two projects in contral and two projects in central and southern Showa, a region sur-rounding Addis Ababa considered to have high agricultural

Mr Lorenzo Natali, the EC aid commissioner, today flies to Ethiopia for a three-day visit which will also take him to the famine and civil war stricken areas of Eritrea and

Of the 268,000 tonnes of cereal food aid (worth around Ecu 118m) which the Community pledged last year to help Ethiopia combat its latest famine, more than 220,000 tonnes was earmarked for distribution through private agencies to diminish the chances of its diversion by the Ethiopian

Egypt and IMF ponder economic reform

EGYPT AND the International reduce expenditures. Egypt is crucial negotiations at senior energy prices both as a conservaprogramme amid indications that raising additional revenue. Egypthe authorities are facing increasion officials say they accept the ing difficulties restraining the need for reform but want more

Across the board wage and sal-ry increases next month for A World Bank team has spent ary increases next month for public employees, to take account of a sharp increase in the cost of living, is putting immense pressure on the budget at a time sl.5bn in infrastructure loans for when the IMF is asking the Government to making a constitution. ernment to reduce expenditures. The Government's wages bill is per cent in 1988-89. Egypt's bud-get deficit for the 12 months to June is expected to reach 16-17 per cent of gross domestic prod-nct compared with an IMF agreed target of 13 per cent.

This week's negotiations follow

the collapse of a standby arrangement agreed last year between the IMF and Egypt, which is ity. The rest is divided between struggling to cope with foreign the subsidy on petroleum prodebts of around \$50bn and with severe difficulties in financing its International institutions are balance of payments.

Monetary Fund this week begin under pressure to increase level on a new economic reform tion measure and as a means of time to implement it for fear of

power generation and agricul-ture. Fund disbursement has been repeatedly delayed because projected to increase by some 42 of Egypt'a reluctance to agree to pricing levels considered reason-able by the Bank.

Energy experts point out that subsidies in the energy sector are costing the Government E£6hn (£1.44bn) a year. This more or less matches the size of the gross hudget deficit, About half this amount goes to subsidise electric-

highly critical of Egypt's pricing The IMF is certain to press structure for electricity which month, members credited Egypt expected to reach quick agreeEgypt, which is being buffeted by costs 13 plastres per kilowatt inflation of an estimated 25-30 per hour to produce, and yet is sold cent, to increase revenues and at an average price of only three economy, but the consensus was to move forward.

plastres. One energy expert that it had not moved quickly described this as a "grievous enough, particularly in the area loss" to the budget. of energy pricing.

IMF officials and ministers will About half an IMF standby of

be considering ways in which SDR250m (£187m) was drawn last year's reform programme – in effect defunct gramme collapsed Egyptian officials, who are still completing formance targets – can be resurrected.

Apart from restraining the definious to finish the process, they do not feel under great greens they are anxious to finish the process, they do not feel under great greens.

cit, the IMF will be seeking guar- not feel under great pressure to antees of further exchange rate do so before the end of this reform, and possibly a lineralisation of interest rates, although senior Egyptian officials are letting it be known this is "non of a failure to agree on terms are Britain, Australia, Switzerland Inder the Paris Club The IMF has been pressing for and Japan. Under the Paris Club

an increase in interest rates to agreement creditors agreed to take account of inflation. At pres- reschedule some \$8hn of governent returns on bank deposits are ment guaranteed debt. about half the inflation rate.

Western officials expect the arrears plus debt falling due Fund to seek strong commitbetween January 1987 and June ments from Egypt before it is pre- 1988. Repaymant terms were pared to agree to a new reform standard Paris Club 10 years with programme that would open the a five-year grace period on payway for a second Paris Club ments of principal.

At a meeting of the IMF executive board in Washington last by its regional director, is not washington last by its regional director, is not washington last by its regional director, is not washington last by its regional director, is not

AMERICAN NEWS

FBI raids Pentagon offices in fraud inquiry

BY LIONEL BARBER IN WASHINGTON

revealed a two-year investigation into possible widespread fraud

two senior Peotagon officials and searched the premises of 14 defence contractors including Northrop, McDonnell Douglas, Mr Victor Cohen, the official

this year. Retail sales in May

Durable goods lead

growth in US output by anthony harris in Washington

US INDUSTRIAL, production continued to rise strongly in May, with growth concentrated strongly in durable goods, the US Federal Reserve Board reported yesterday.

Output of business equipment and industrial materials has been growing more than twice as fast as consumer goods output so far this year Retail sales in May

were again reported as little changed in value terms, and probably down in volume.

This pattern of demand, which reflects that seen in the foreign trade figures on Tuesday, contrade figures

firms that growth this year is fall in the value of motor sales,

being led by investment and hut other categories rose by 0.4 exports and promises further per cent. This increase is close to

improvements in the trade bal- the reported rise in consumer

ance and competitiveness. prices, and volume over the last
The credit-fed consumer boom, three months appears to have

which appeared to be accelerating again in the first quarter of cent above the corresponding the year, is no longer apparent in the figures.

The detailed figures from the recent figures are liable to be recent figures.

Federal Reserve Board show that revised by up to 41/4 per cent.

and bribery in Pentagon procurement involving major US defence contractors and senior Pentagon officials.

Before the co-ordinated rands, investigators hugged Pentagon offices over a two-year period in an effort to discover evidence of alleged fraud, bribery and bid-fix-

Unisys and United Technologies.

Agents of the Naval investigative Service also took part in the nationwide swoop on Tuesday, Force. They also closed off the

aerospace manufacturers, was served with a search warrant both in his Washington office and at his home in McLean, Virginia. The Justice Department described the two-year investigation as focusing on "allegations of fraud and bribery on the part of defence contractors, consul-

More states join

insurance suit

years to come to trial.

Baker praises

MR James Baker, US Treesury

Secretary, yesterday gave the Federal Savings & Loan Insur-

ance Corporation (FSLIC) a

vote of confidence by saying it was handling problems in the savings and loan industry "as effectively as possible", agencies report. Speaking before the House banking committee, he indicated that he opposed a hail out of the indicates.

bail-out of the industry.

Morthrop Corporation, which makes the Steaith bomber, confirmed that its Ventura factory in Newbury Park, California, had been searched. United Technologies said there were searches at the Washington offices of its Pratt & Whitney aircraft engine the multi-billion dollar Pentagon for current business. During the multi-billion dollar Pentagon from current business. During the multi-billion dollar Pentagon for current business.

issuing search warrants at the Pentagon and about 30 other locations in 12 states.

office of Mr James Gaines, deports and US government subsidiary and three factories run by its Norden Systems sublication manage.

Reports in Washington yester-sidiary which makes military

ment.

In addition, a former senior might extend to members of Connews a Washington consultant to and their role in helping companies served with a search warrant.

Northron Cornoration which makes mintary which makes initiary which makes i nies secure military contracts.

Northrop Corporation, which the multi-billion dollar Pentagon

Business leaders protest over video terminal law

BY RODERICK ORAM IN NEW YORK

TEN more states have joined a suit which alleges US and UK insurers conspired to limit the availability of liability insurance to the US public sector in the early 1980s, writes Roderick Oram in New York. The suits were initiated in March by nina states. A pre-trial conference is due to be

held in San Francisco on June 23 bnt the case could take Union leaders said the law would serve as a model for legislation elsewhere, a role Suffolk County has played in the past. They are pressing for similar laws in at least three other New York counties and legislation is pending in some 25 states, including New York.

Business leaders however work by FSLIC

Business leaders, however, called it an unwarranted and costly intrusion into the work-place which would stifle job cre-ation. New York Telephone and over the veto of Mr Patrick Hal-

THE FIRST US law governing ing to companies using 20 or use of visual display terminals in the workplace has been passed by Suffolk County, a Long Island local anthority whose strong stand on environmental issues tests of terminal users and 80 per recently killed the Shoreham nuclear power station.

Union leaders said the law result of using the conjument. nuclear power station. tact lenses needed for or as Union leaders said the law result of using the equipment.

After January 1 1890, employers must provide adjustable chairs and desks, detachable keyboards, special lighting and 15-minute breaks every three hours for users of terminals and furniture bought or leased after that date. The legislature passed as similar regulation for its own similar regulation for its own employees last year.

Metropolitan Life Insurance, pin, the county's chief executive, among other companies, said He had supported the bill when they would not expand their he ran for office last autumn but offices in Suffolk County.

The first provision of the law, was not persuaded by medical approved by 13 votes to five by evidence thet provision was approved by 13 votes to five by evidence that regulation was the county legislature and apply-needed.

MODERATE Democrats are well Stewart Fleming aware that American voters see the Repoblicans as the party which is more likely to keep US military defences strong. So many officials, fearful that the party might again be pulled too far to the left on foreign pol-icy issues, have been watching closely as Gov Michael Dukakis, the Democrats' likely presidential candidate, has developed his positions on foreign policy, anxious that he should not leave himself

the party on national security contributes.

issues in the House, to Gov "An effective European contri-Dukakis's first major foreign pol-icy speech since he became how many pounds or francs or there may be some inconsistency assured of winning his party's Deutschmarks we spend . . . in his stance on nuclear and con-

tions with Moscow - supporting tion options. the strategic arms reduction But if Gov Dukakis is leaving talks – but he is putting much himself open to criticism from more amphasis on conventional the Republicans for his willing.

security. That is why we have beware, stationed more than 300,000 of "I have serious questions about

reports on foreign policy priorities set by the Democrats' likely presidential candidate

open to Republican charges that he is just another liberal Demo-crat who is "weak on defence." burden, is also on the Dukakis Judging from the reaction by agenda. Not, however, in what Rep Dave McCurdy, a young has come to be known as "bean Oklahoma Democrat who is counting" terms, simply adding emerging as one of the leaders of up the dollars and cents each ally

presidential nomination, moder-ate and conservative Democrats lead to a stronger defence within who want the party to take a available resources. So far as

who want the party to take a available resources." So far as tougher stance on national security issues have been somewhat reassured by the direction in which the Governor has been moving.

"I am pleased with the progress he is making," Representativa McCurdy remarked. "He made some choices, he is willing to set priorities."

The major themas which emerged from Gov Dukakis's speech on Tuesday to the Atlantic Council were that continuity would be an important element of US policy in a Dukakis administration, but that the Governor wants to put much greater

istration, but that the Governor turns out."

Wants to put much greater emphasis on working co-operatively with US allies than was the norm, certainly in the earlier Reagan years.

So far as continuity is concerned, Gov Dukakis made it clear that he supports nuclear forces in principle, but then underscores his steadfast deterrence (thus he is sharply opposition to building the Midgarditated of President Reagan's strategic defence initiative, funding for which be would seek to cut). He favours a policy of negotiating conventional arms reductions with Moscow — supporting

than on nuclear forces.

He also strongly supports the Midgetman missiles, he is signal-continued commitment of US ling that when it comes to conforces to weatern Europe, ventional arms Republicans as "Europe's security is vital to our well as Russians had batter

that the Nato allies must invest. With conventional arms negotiwith conventional arms negot-ations moving towards the fore-front of the US/Soviet arms con-trol agenda, this is a stance in the mainstream of strategic thinking. He backs it np with a tough negotiating position and one which he hopes will give Nato the chance to seize the ini-tiative.

tiative. "Nato," he says "must test (Soviet) intentions," concerning the more defensive force Mr Gorbacher is talking about "by proposing a detailed step by step plan for substantial reductions in conventional forces," and by insisting that the bigger cuts must come from the Warsaw Pact countries which have the most

Some of Gov Dukakis's critics. in his stance on nuclear and conventional forces. They question whether there are savings to be made on strategic weapons which are big enough to pay for the streogthening of the conven-tional forces he seems to envis-

age.
There is another aspect of Gov
Dukakis foreign policy stance
which worries some conservative

Democrats.
The decision by his advisers The decision by his advisers last weekend to accept the inclusion in the party platform of language branding South Africa a terrorist state is seen for the most part as a relatively low cost conception to here leave largeson. concession to Rev Jesse Jackson. But the concession is also being interpreted as a signal to the Third World that a Dukakis

administration will be more sympathetic to its concerns. This is leading to questions about whether he is too idealistic or, as Gov Dukakis puts it, too legalistic, about the foreign policy arena and by implication, too disinchined to bring US military power to bear in a crisis.

The depth of his commitment

to working co-operatively with allies on foreign policy issues, and his special concern on this score for Latin America, was

underscored on Tuesday.
"I believe very strongly that the example of Nato is one which commends itself and for the life of real light and account the life of real light and account the life of real light and account the life of the li the life of me I do not understand why we have not spent at least as much time and energy working on the same kind of collaboration when it comes to our relationships with our neighbours in Central and Latin America that is going to be one of my top

Confidence grows in Mexico's anti-inflation plan

SHORT-TERM interest rates on Mexican Treasury Bills (Cetes) dropped a further two points this week as a further signal of the confidence of both the financial authorities and investors in the success of Mexico's anti-inflation

Rates on 28-day Cetes fell from cent at the mid-week auction ers and union leaders, heavy budmanaged by the Bank of Mexico, get cuts, the slashing of import by a formal freeze on the peso/ issue is sensitive in view of making the total drop since the tariffs and a frozen exchange dollar parity and public sector Mexico's history of massive capitals. beginning of January a full 119

42.4 per ceot last week to 40.3 per through agreement with employ-cent at the mid-week auction ers and union leaders, heavy bud-

ate. prices.
Inflation has as a result plum. Dr Michael Bruno, former gov-

Short term Cetes rates rose to historic highs in the first week of January. With 28-day rates hitting 159.2 per cent, as the Government wheeled out an arsenal of measures to mop up liquidity.

The drastic liquidity squeeze was accompanied by a de factor freeze on wages and basic prices.

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The drastic liquidity squeeze was accompanied by a de factor freeze on the dollar was acc

the Israeli stabilisation plan of positive real interest rates in an 1985-86. It was boosted in March attempt to rebuild savings. The by a formal freeze on the peso/ issne is sensitive in view of dollar parity and applies sector. Marione historical marries and applies sector.

freeze on wages and basic prices ity Pact, is closely modelled on Mexico has pursued a strategy of

line with a notional target of zero, or exact balance, in incoming and outgoing capital. With reserves at a historic high of \$16.5bn, the bank can afford to transfer the advantage of incom-

ing capital flows on to lower

stationed more than 324,445 of 1 have sample questions about tionships we our servicemen and women on our conventional capability and Central and European soil," be said. Sharing that, for me, will be a priority." that is got the defence burden more equitable says, indicating that it is here priorities."

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Hyundai accuses EC of 'sham inquiry'

By Kevin Brown, Transport Correspondent

EYUNDAI Merchant Marine, the South Korean shipping company, yesterday accused the European Commission of mounting a sham investigation of alleged freight-rate dump-

The Commission is investigating claims by eight European Community shipping lines that Hyundai is unfairly undercutting astablished freight rates between Europe

and Australia.
The Commission has powers under anti-dumping regula-tions to set a norm for freight rates on the ronte, and to

impose penalty tariffs.

The conclusions of the investigation have not yet been published, but Hyundsi said it had learned that the Commission would find the complaint

It believed the Commission's indings would not support the crucial allegation that its activities were unfairly subsidised by the South Korean gov-

Hyandai claimed its case had not been properly investi-gated, and that all the allega-tions against it had been

European Court.

It would appeal against the lik gets tough Commission's decision to the with boatpeor The Commission said no decision had yet been taken, but one was imminent. De April Hambia in Hong

ANTI-DUMPING legislation is gettion did not violate the Gatt being increasingly used by governments as a tool of trade policy, the Gatt secretariat notes in its latest six-month report to the Gatt council on world trade developments.

The report refers particularly gettion did not violate the Gatt that the Hyundai Merchant is coupled with the continued use Marine Company of South Korez of production and export subsiders has been charging unfair retes on dies and the extension of bilations in the declining, their financial importance and political sensitivity was increasing, the Gatt secretariat tices.

The report refers particularly The report refers particularly retariat said. to the European Community's

extension of anti-dumping action to so-called "screwdriver" operations, to an EC investigation into unfair shipping practices, and to two "noteworthy rulings" hy tha US Court of International Trade.

In the "screwdriver" case, the Indianation of the International Trade. One of the US judgments, in a

case involving imports of South Korean steel plate, makes it harder for the US Commerce Department to suspend antidumping orders. The other ruled is contesting this action in Gatt.

Under a new EC regulation, the Brussels Commission is investibina imports from three countries in an anti-dumping investi
Community shipping companies

assembled from imported parts at five plants within the EC. Tokyo because the new EC regulation is the first to apply the "unfair trade" concept to a services sector.

Excluding the agreements the first to apply the "unfair trade" concept to a services sector.

The trend towards enlarging pacts circumventing Gatt rules the scope of anti-dumping action, the secretariat

Gatt allows the imposition of special anti-dnmping duties against goods sold in a foreign market at "less than fair value",

EC has extended anti-dumping duties to Japanese electronic typewriters and weighing scales assembled from imported parts at five plants within the EC. Tokyo

Japan said yesterday that EC regulations extending anti-dumping action to screwdriver plans were not covered by Gatt's anti-dumping code, Wil-

than Dullforce reports.

The regulations introduced a new element which should be treated in the trade-liberalisguay round, Mr Yoshlo

Hatano, head of the Japanese delegation to Gatt, said.

Newly-formed trading entities of phenomenal size, such as those being created by the US-Canada free-trade ac and the expansion of the EC, should conform to international disciplines and remain open to the outside world, Mr Hatano said.

The number of cases is declining, but their political sensitivity is increasing, William Dullforce reports

Gatt highlights anti-dumping laws as 'tool of trade policy'

estimates.

More positive developments listed include moves by a number eral voluntary restraint agree-ments among the negative ise their trading regimes as e aspects of current trading prac-tices.

> Substantial reductions have been made in the number of products subject to import authorisation in Brazil and Mexico and to a lesser extent in Colombia, india, the Philippines and Turkey.

> Tariff cuts have been made by Mexico, Brazil, South Korea (on items principally supplied by the US), Jamaica, Taiwan, Uruguay, Thailand, Sri Lanka and Turkey. Some industrialised countries have taken "limited action" to

Bilateral trade relations among "certain governments" - the US and the EC are not specifically mentioned - continued to be characterised by a high level of liberalising Uruguay Round, the

report notes. However, governments have also been making greater use of the Gatt dispute settlement mechanism over the past 18 months. This trend represents a marked difference from eerlier Gatt rounds.

National policies on farm production and trade are increasingly dominating trade relations, according to the secretariat. This has led to increasing emphasis on the crucial role of agriculture in the Uruguay Round talks.

reduce tariffs and quota restric-tions as a means of improving by governments in their mea-

pluses and export subsidies are described as "mixed". Some have introduced production controls. frozen or cut farm support levels.
while in other countries output tension, despite the steadying and subsidies have been influence exercised by the trade increased.

In this context, the report notes that the falls in world prices exacerbated by the competing export subsidies of the US and the EC have forced some governments to increase compensatory payments to their farmers.

A payment of A\$230m (£94m) to Australian wheat farmers was triggered for the first time under the Guoranteed Minimum Pay-ment system and Canada had to increase its support to grain farmers for a second time.

* Available shortly, price SFr25. from the Gatt Secretariat, 154 rue de Lausanne, CH 1202 Geneva.

India looks east after setbacks in West

attract new trade and investment after suffering setbacks in its tra-ditional Western markets, Reuter reports from New Delhi.

Protectionism in the US and Western Europe had forced Tokyo and Seoul to turn to india, where foreign investment was needed to suppress a growing

trade deficit.
The West is still India's main ss partner, but Japan and South Korea are on course to catch up with them," said Prof Sumitra Chisti of the Indian Institute of Foreign Trade.
"Both Japan and South Korea are resource-scarce countries and

INDIA is looking eastwards to have realised their over-depen-attract new trade and investment dence on the US market for their

Europe and the US accounted for 26.3 per cent of India's foreign trade in the 1986-87 financial year, but Japan, with 12 per cent, was the third-largest single trading partner behind the US and the Soviet Union. A relaxation of economic con-

trols over the past four years was encouraging Japanese and South Korean investment in India's large domestic market, he said. When India first opened up its economy, the US and European countries wanted quick results from their investments, while

nessmen has been rewarded with exports to India totalled \$1.9bn in a special status among foreign 1987 and imports totalled \$1.5bn in vestors. A government office is to be set up to clear their investing opportunities in the manufacturing sector. A South Korean

of promises made to Japanese country, after schieving a trade businessmen by Indian officials surplus for the first time in 1986, with Prime Minister Rajiv had targeted developing nations Gandhi on a visit to Tokyo last such as India.

made to attract investments.

But today, the

Supplies and Textile Services.

vending groups in the country.

Sketchley Group spans a wide range of busi-

ness to business services which includes Office

Equipment, Contract Cleaning, Computer

In fact, Sketchley Vending plc is the result of

a merger between two of the best-known and

respected names in the quality vending

business - making us one of the largest

So there's a great deal of operational and

administrative expertise available to ensure

you will be well served - with a fast and

efficient response from our Service Engineers,

effective control and hygiene standards, and a

wide range of quality ingredients.

Japan and South Korea had Trade between India and Japan long-term goals, said Prof Chisti. rose to \$3.50n in 1987 from \$3.10n
The patience of Japanese husi- the previous year. Japanese The move was among a series Embassy spokesman said his

But a dramatic rise in trade However, Mr Saburo Doi, direc-tor-general of the Japan External would take time, he added. Trade Trade Organisation in New Delhi, actually fell to \$603.9m in the said further concessions must be 1987 calendar year from \$638.4m the previous year.

Chile gets finance for new hydro plant

THE Inter-American Development Bank has agreed to administer a \$120.6m loan being provided by the Export-Import Bank of Japan to help finance the construction of a Chilean by dro-elec-

The financing for the project, the 500,000kW Pehuenche plant on the Maula and Melado rivers about 240km south of Sautiago, is than \$80m over 1988-90 to finance part of the Japanese effort to technical assistance to the bank's recycle \$20bn of its trade surplus to developing countries.

The Japanese have been critic ised in the past for not giving enough aid to such countries. It is the second such loan to be administered by the development bank; the first was \$108m to expand bauxite production at the

The Ministry of Finance in Japan has also granted more ica and the Caribbean.

Nepal irrigation order for China By Robert Thomson in Peking

THE state-run China International Water and Electric Cor-poration has signed a \$20.6m

(£11.4m) contract to overhand a key irrigation system in Nepal. Under the contract, the Chi-nese corporation will oversee the restoration of 53km of e

main canal.
It will also npgrade 951km of irrigation chennels and 625km of drains over the next five and e half years. Nepal has received a World Bank credit of \$40m for the improvement of the system.

Pressure grows on Brazil to lift computer curbs

BY IVO DAWNAY IN RIO DE JANEIRO

containing microprocessors.

Since last month when the administration of President Jose backing the closed market policy

Businessmen maintain that the which is likely to be harder to government's drive to encourage win.

receive a licence from the Special officials remain concerned over-Secretariat for Informatica before the lack of detailed definitions as

domestically. Mr Roberto Abreu Sodre, Bra-

PRESSURE is mounting on Brazil Laz Henrique, Technology Min-to lift curbs on imports of com-ister responsible for administer-puters, software and equipment ing the sector.

Sarney announced a new industrial policy sharply liberalising political allies.

trade, Brazil's industry has redoubled efforts to fight protectionist legislation controlling the law, any substantive changes will require Congressional approval

industry to re-equip with The US is now happier with imported technology is worthless revised legislation on software if the so-called informatica law licencing which incorporates Currently, any item that contains a microprocessor must receive a licence from the Second Currently which incorporates safeguards and appeals procedures for those prohibited from exporting to Brazil Currently contains a microprocessor must receive a licence from the Second Currently contains and appeals procedures for those prohibited from exporting to Brazil Currently contains and appeals procedures for those prohibited from exporting to Brazil Currently contains and appeals procedures for those prohibited from exporting to Brazil Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a licence from the Second Currently contains a microprocessor must receive a mi

Israel and US set deadline

for import tax agreement

ISRAEL and the US have set a deadline of August 1 to reach an agreement over allegations that a number of Israeli taxes discrimilation of four types of taxes,

imports.

Both the US government and the European Community have complained to Israel over recently-discovered import taxes which

ly-discovered import taxes which raise the price of finished and semi-finished imports against the cost of local equivalents. Among the sectors affected are steel, textiles, leather and plastic goods.

Official working parties this week began discussing details of a compromise whereby israel will phase out the taxes over the coming years. Israel's Ministry of Industry and Trade has however, restated its determination to protect sensitive local industries where necessary.

After a meeting last week of a

where necessary.

After a meeting last week of a After a meeting last week of a bilateral committee examining the working of the Israel-US Free Trade Agreement, Mr Michael Smith, US Deputy Trade Representative, said the three-year-old part had reached a stage wherehy pact had reached a stage whereby average.

nate against manufactured including the tama import levy, a imports.

Both the US government and inates against imports and a specific tariff for computer imports.
An industry ministry official acknowledged yesterday that the

Export credit agencies pay out more in claims

LEADING export credit agencies time. Only 8 per cent of the paydid less business last year and ments arose from the insolvency or default of original buyers. mg to new figures from the Berne

However the agencies sharply increased loss recoveries, according to the union, which is an association of 40 export credit agencies from 32 countries.

in its first public statistical release, the union said that

in claims last year, an increase of rescheduling agreements. 12 per cent on 1986. By far the largest cause of loss continued to support countries was the lack of foreign exchange with debt difficulties, providing needed by developing countries some \$13bn of new commitments

The figures underline the diffi-cult market facing export credit agencies. Only 14 out of the 35 of its members who are engaged in insurance activity, as compared to lending, showed a surplus in 1987, while the others posted losses.

exports supported by its members fell 6 per cent to \$196bn (£106bn) during 1967.

Its members paid some \$11bn bayments received under debt rescheduling agreements. But the pace of recoveries rose

The union said its members to meet their import bills on in the last six months of 1987.

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it can be imported. An outright to what constitutes a "similar" ban continues on any computer national product.
imports that could be substituted The two countr The two countries also look on pharmaceutical patent protec-tion. Mr Clayton Yeutter, the US mr Roberto Airiest Sofre, orazil's Foreign Minister, said the
government would have to
respond by July 23 to complaints
review the law "in so far as is
necessary for development of the
country".

His view was backed by Mr

Trade Representative, must
respond by July 23 to complaints
from US pharmaceutical manufacturers that Brazil is failing to
honour or pay royalties on
patented products.

The tiger that filled up the petrol tank

Philip Rawstorne looks behind the potency of one of the world's most durable advertising symbols

AS ESSO celebrates its centenary in Britain, the multinational oil company counts among its most valuable assets . . . a tiger.

Few corporate symbols have been so potent. Seven out of 10 people in the UK instantly recognise the connection. Ask anyone in Sweden, Switzerland, West Germany or Japan, of which oil company the tiger reminds them, and the answer comes almost

For at least the last 50 years of Esso'e history, the tiger has been the symbol, first of the power of its products, and latterly of its corporate strength, purpose and adaptability.
It has helped Esso to maintain a 20 per cent share of the British oil products market, ahead of the two rival majors, Shell and BP, with their

advantages of British identity.

The impact on the public consciousness made by the tiger's associ-ation with Esso is the product of a long and fruitful relationship between the company and its adver-tising agency, McCann-Erickson. The agency was founded in 1911 by Harry McCann, former advertising manager of Standard Oil, to meet the needs of the sort of multinational clients that Esso was to become.

But although the association has been long, it has neither been continnous nor constant.

The first known use of the Esso tiger was at the turn of the century when Esso produced the "stack pipe" pump, little more than a drain pipe, which bore the tiger symbol on its tap. In the early 1900s when cars were first coming on to the roads, a leaping tiger appeared on roadside

petrol pumps in Norway. It was in a press advertisement for Esso Ethyl in 1936 that the animal was first used to convey the concept of smooth, silent power. But in the cinema advertisements of the 1930s, Esso relied more on a cartoon series

of "car tunes" - an entertaining play

on engine noises In the Second World War there was no branded petrol. And it was not until the early 1950s that brand advertising came into its own again. This was when the tiger came into prominence. After the low quality of wartime "pool petrol". Esso attempted to establish an Esso brand of quality and power. The tiger leapt, snarling, from posters and press

advertisements to signal Esso Extra's high performance.

The aggressive marketing led to a Commons debate about whether the Esso tiger encouraged fast and dan-gerous driving. Esso diplomatically withdrew the advertisaments. Instead, it re-established the brand on the newly-arrived commercial televi-sion during the late 1950s with adver-tisements featuring the Denton fam-ily, and then with one of the most enduring of advertising jingles. "The

Esso Sign Means Happy Motoring", to which such stars as Peter Sellers and the Beverley Sisters contributed. The tiger re-emerged in tha 1960s – but as a quite different character. This time it came in the form of a cartoon, a lovable beast, all muscle and heart, looking a bit like an American football player in need of a col-

This animal caught the British public's imagination in spectacular tiger in your tank". A consumer group in Germany, with notable lack of bumour, measured the respective sizes of the average tiger and the average tank and declared the feat impossible. But in the UK, 2.5m motorists paid 1s 6d (71/2p) each to buy a tiger tail to tie on their petrol caps. And "Hold That Tiger" became

Variations of the campaign – the main aim of which was simply to sell more petrol - ran all over the world. In Britain, it ran from 1964 until 1966,

the most familiar jazz tune of the

when the joke began to pall.

In that year, Dennis Page, who had worked for BP and Mobil, joined McCann-Erickson. Now a creative director, he is currently enjoying his 22nd year on the Esso account. Page's first task was to revive the tiger and stimulate fresh interest in Esso's

Firstly, Page created a campaign in which Esso's advertising manager decided to fire the tiger. The tiger made a direct appeal to the public to save it — and the public responded. Every national newspaper carried the story. Petitions from school children arrived at Esso headquarters.

"There is no doubt," says Page, "that in the early stages the cam-paign caught the imagination of the public and had a lot of impact. There is also no doubt in my mind that far from saving the tiger, it actually has-

The campaign ran during 1968 and the cartoon tiger has not been seen since. Esso, together with the other oil majors, turned to sales promo-

fashion, as it helped urge it to "put a tions. In 1970, for instance, Esso tiger in your tank". A consumer offered World Cup coins, A promotions war started.

> The oil crisis of 1973 brought that to an end, ushering in a depressing era in which any anvertising was difficult, and a cartoon tiger much too flippant a figure. The only optimism lay in the prospect of North Sea oil.

To its dismay. Esso found that despite its heavy involvement in the North Sea exploration, its rivals, BP and Shell, were being identified as the important operators in the new fields. Esso was concerned that, in time, British motorists might show their gratitude by filling their cars at the stations of competitors which were thought to be doing more to help Britain's recovery.

McCann-Erickson was hriefed to launch a corporate advertising campaign, explaining Esso's position as a major participant and investor in the development of North Sea oil. Six ideas were tested - hut the one which produced the most remarkable response was Page's decision to bring back the tiger, this time live.

"He was seen as a herald of a return to normality and to better times," says Page. "People saw him as beautiful and graceful . . . but attributed to him all kinds of characteristics that matched the leadership and single-mindedness we were trying to convey about Esso the company. Adjectives such as purposeful and dynamic were used. He was described as having the same kind of elemental power as the North Sea."

Esso also recognised that the live

tiger could be used just as effectively to advertise products as well as communicate corporate style.

Page had difficulty finding tigers that he could film in freedom. Circuses, safari parks and zoos, all insisted that either the film crews or the animals would have to be caged for safety. Then he happened to see a film called Where The North Wind Blows, the story of a man who befriended wild tigers. The film credits gave him the name of the handler who had charge of the tigers. He was tracked down in Los Angeles, and provided Page with two tigers, called india and Kipling, for filming, and with invaluable advice on bow to react if the animals turned nasty. ("Hit them across the nose, it makes their eyes water.")

In three or four "shoots", Page has built up a library of film of the ani-mals in a variety of settings from which sequences have been used for different television commercials.

The first appeared in 1975, with the tiger loping along a beach as a voice-over related Esso's role in bringing North Sea oil ashore. Others, reflecting the public mood, associated the season of the season o ciated tha company with British achievements, such as Concorde. The campaign brought about a marked improvement in Esso's public image. And as tha oil crisis eased, the tiger appeared in product advertisements. demonstrating the grip and water dis-persal qualities of Esso tyres, for example. (Kipling, one of the tigers, happens to love splashing about in



Esso's figer: first used to convey smooth, allent powered and now promoting its unleaded patrol

The second oil crisis of 1979 saw Esso's advertising again take on cor-porate themes, addressing such issues as the security of national oil supplies and the development of new forms of energy, with the tiger symbolically climbing out of depression. It has since marked Esso'e involvement in community projects from

conservation to youth employment, And again, as the economy has recovered, it has been used in the last few years (Esso spends £10.5m a year on advertising in the UK) to promote sales of products such as diesel and lubricants, and most recently, unleaded petrol. "It has become a readily identifiable and adaptable symbol, and one that inspires a high degree of customer loyalty," says Michael Fretar, McCann's group director. The tiger will continue to stand for Esso quality whichever way future advertising strategy develops, whether it concentrates on service or

WHEN THE Government first sought to privatise Rolls-Royce, 15 years after the aero-engine company had been resurrected from a spectacular failure in 1971, it asked public relations consultants McAvoy Wreford Bayley (MWB) to carry out an investor and partly because of the positive relations campaign aimed at trends emerging in our tracking "experienced investors" to sup-

All went weil until, three months before the projected flota- which forced the PR company to tion early last year, the Govern- pull out all the stops to reach a ment changed its mind and much wider target market and decided it wanted to attract mass convince that market that a prepublic support for the issue.

"It caught us a bit by surprise," admits Michael McAvoy, competitive world MWB's chairman, "The Government re-defined its marketing objectives and sanctioned a major shift in emphasis, to target not merely the experienced shareholder but the mass public

MWB awarded for promotion of Rolls-Royce flotation share price was announced. MWB achieved over 20 minutes of national television air time as

"The decision was taken partly for political reasons in advance of the impending General Election research on attitudes to the flotation," he adds,

It was a change of emphasis viously failed aero-engine company now operating in a highly-competitive world market was a

MWB's success in achieving this - the eventual Rolls-Royce flotation was over-subscribed nine times - this week earned the consultancy an award for investor relations from the Institute of Public Relations.

When MWB started its commn. as a result, but we also had to nication campaign early in 1986, readjust our PR campaign."
it initiated market research which revealed that Rolls-Royce priority was to educate was little understood by the public or investors in general. There-fore, it was decided to reach the influential investors by briefing company. key opinion informers such as "The intention was to build financial journalists and invest-close relationships between the

ment analysts.

This approach paid off tracking studies showed an increasing desire to invest in the issue and had no cause to follow its an enhanced understanding of fortunes, and also senior editors the company's activities.

But when the Government and specialist aviation and engi-sought to attract small share-neering correspondents," is what holders, "it became a bit more MWB said in its award-winning complex and larger in size than a submission to the Institute of normal flotation," says McAvoy. Public Relations. Obviously there was substantially more popular advertising lyst briefings took place over sev-

Rolls-Royce senior management in the role they had to play in telling target audiences about the

of national and regional press

The press and investment ana-

eral months, taking in the Farnhorough air show, plant visits and visits to tha US to enable analysts to talk to key

Rolls-Royce customers there. All was going well until, two weeks before the flotation, the story broke about the postpone ment of production for the Rolls-Royce Superfan engine for the Airbus 340 aircraft.

"Although the Sunday Times made an investigative story out of this, such was the solid framework built prior to this among the media and analysts that it (the nostponement) was seen as a sensible and prudent move by management and a long-term issue which would be resolved in the next five years," recalls McA-

On the day the Rolls-Royce

well as press, radio, and regional publicity with stunts McAvoy suggests that there

are three key lessons to be learned from the flotation: Early planning of all stages

 Being conscious of the need to educate target markets about the And not "firing off all our

guns too early before we reached the climax to the flotation." The Rolls-Royce privatisation was considered a major success by the Government. The final number of applications received for Rolls-Royce shares was 2 ffor. almost twice the 1.1m applications for British Airways shares when It was privatised.

David Churchill

Marketing abstracts

Two units trust launches. C. Lock and Anon in Direct Response (UK) Dec 87 (312 pages).

Presents two case histories of unit trust launches that did not go quite according to plan - the "Royal Event" and Commercial Union, In one of these, an Epsom resident is said to have received 36 "invitations" from 26 financial intermediaries.

Advertising research: time for a re-think? J. Grundy in European Research (The Netherlands), Non 87 (7 pages).

Advocates the role of the acount planning department in developing more "pointed" creative briefs and therefore more relevant advertising. Believes that planners take a long-term

view of a brand's development (e.g. using the J Walter Thompson "Planning Cycle" - the author is planning director of JWT). Reviews the schievement (or lack of) in advertising research and looks forward to a returen to simplicity and cisrity

Going overboard: conferences and exhibitions. M. Marroy in Morketing (UE) Dec 3 87 (2) pages).

Allied Dunber spenyt more than £1m for 12 days with 1,400 consultants and directors at work and play, on the way to and from the Carlobbean. And that's just one example of water-bound con-



RONCAGLIA OPR FLOUR MILLS THE KEY TO PROFIT

Roncaglia OPR Flour Mills

The flour milling technology developed over the past 35 years by Roncaglia OPR enables bakers, farming cooperatives, farmers, large users of flours, grits, semolina, breweries, confectionery industries, pasta factories, etc., to set up their own independent flour mills.

RATIONALISATION: WITH SPACE AGE TECHNOLOGY RON-CAGLIA OPR Roncaglia OPR flour

mills have rationalised the processing of grains (wheat, maize/corn, oat, barley, rice, rye, sorghum, millet etc.) into flour and drastically cut initial investment costs. The Roncaglia OPR

mill goes everywhere and, thanks to its own generator, even where public facilities are almost absent even where there is no electricity. Its modular design means it can be adapted as need arises.

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day in the field.

metres high is enough to house Roncaglia OPR plants. Installation time never exceeds 30 days.

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On-site installation and start-up are carried out by experienced technicians, whose cooperation with the client guarantees smooth commissio-





A SIMPLE STRUCTURE 5 Roncopta OPR wheet mill capacity 300 tons wheet per 24 hours

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SELF-SUFFICIENCY A network of autonomous Roncaglia OPR milling plants throughout the nation allows national self-sufficiency in flour production. Bakeries, agricultural producers, either individuals or cooperatives, with the installation of Roncaglia OPR mills,

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Lloyd's of London history enjoy the remnants of their spoils in the US. Those who were called on to compensate the victims were largely innocent bystanders, many unaware of what had hap-pened. Four recent cases have shown what the courts' ruling would have been, had the ques-tion of who should be responsible for replenishing those lost funds

come before them.

Trial judges who deal with tha
the dishonest who stalk the commercial centres of the world in the first instance, are beginning to impose upon bystanders the duty to do something against the mischief which thay have noticed. It is to be hoped that the Court of Appeal and the more remote judges of the House of Lords do not reverse this trend.

The trial judges are emphasising that standards of detection and, more important, prevention can be improved by imposing a legal duty in tort on parties who witness something untoward tak-ing place, if a third party subse-quently suffers as a result. If the intermediaries involved in tha placing of funds abroad in the PCW fraud had questioned what was happening, the twisted but brilliant Cameron Webb and

Peter Dixon might not have suc-In the Banque Keyser Ullmann v Skandia case (1987 LLR, I, 69) Mr Justice Steyn found that the insurers owed a duty to various banks, their insured. The banks had been misled by their broker to believe that they were fully insured for a certain period of time when, in fact, they were not. Had they been kept properly informed, the banks might have become alerted about the transaction and not accepted pledges of

The judge reached his conclusion by two routes: (1) The duty of good faith that exists in an insurance contract applies as much to the insurer as to the insured and merely returning the premium and repudiating the contract was hardly a worth-while remedy to the defrauded insured banks. The breach of that duty by an insurer could justify a

claim for damages.
(2) Alternatively, insurers owed the banks a duty of care and were liable to them for civil wrong if they failed in their duty. So close was the relationship between insurer and insured that the insurers ought to have found a way of communicating to the banks that their broker was not

At the end of 1987, Mr Justice

ers and without paying additional premiums. Insurers' agents ing for the lost ship but had to who had discovered what was pay the bank almost \$3m for the going on in the autumn of 1981 loan which the bank was unable going on in the autumn of 1981 loan which the bank was unable were "apparently prepared to to recover.

In different circumstances the

The insurers took no steps to stop the owners from continuing this practice, though they had agreed with the bank to protect its interests in the policy. In April 1982 the owners of the Good Luck renegotiated their loan facilities with the bank. The bank knew the ships were going into knew the ships were going into the Gulf but did not know that

June 6 1982 she was hit by an iraqi missile and became a total

ulant claim npon the insurers dren. The wife sued the buspretending that they had given an advance declaration of entry into the Additional Premium Area and that they were unaware of the existence of the prohibited area, and the bank granted them an additional loan amounting to almost \$2.7m. On August 4 1982 the insurers rejected the claim but only on the next day did they tell the bank thet the claim was false and that they entertained suspicions about the honesty of the owners.

Tha judge (not following Mr Justice Steyn in the Skandia case), decided there was no duty of good faith owed by an insurer to the assignee of the benefit of an insurance policy. It might be different if the assignee (the bank which had taken the insurance policy on the ship as part of its security and had received from the insurers' agents a letter of

BUSINESS LAW

The penalty of not speaking up

By C.I. Boxer

SIX YEARS after their fraud was be trusted, had misled them and discovered, the main perpetrators that the transaction was questionable.

be trusted, had misled them and undartaking that the policy band's solicitor in negligence.

Both the trial judge and the like an insured and intermeddled Court of Appeal held that a duty At the end of 1987, Mr Justice in the insurance policy. This the Hobhouse, in a shipping case bank had not done and the duty (The Good Luck) found an insurer of good faith applied therefore liable to a bank for failing to only to the original insured and bring to its attention the strong the insurer. The judge held that possibility that it was going to the letter written by the managlese money if it loaned further ers of the P.I. club, the brokers

> case and is likely to go to the speak up, however distasteful it not agree: the husband's previous Court of Appeal.
>
> Court of Appeal.
>
> The speak up, however distasteful it not agree: the husband's previous might have been to question the behaviour was such that a solici-Court of Appeal.
>
> In this case the judge found honesty of one of their major that the owners of the Good Luck ents and possibly cause its coltant the country of the insurers that the same the bank of the were trading ships in and out of lapse. As agents of the insurers Additional Premium Areas (that they had to warn the bank of the is dangerous waters) without risk it ran if further moneys were making any declaration to insur-lent, but failed to do so.

Court of Appeal has emphasised

that people to whom a duty of care is not normally contemplated can recover damages from a particular class of bystander.

In Al-Kandari v J R Brown & Co, the solicitor acting in a disputed custody case for a husband who had exhibited a violent determination to set hold of the knew the ships were going into the Gulf but did not know that they were, in effect, uninsured for such voyage at the time. The insurers' agents did not inform the bank.

The Cood Little value of the sale with the passport of the husband. The husband persuaded his solicitor The Good Luck arrived at to hand over the passport to the Bandar Abbas, an Additional Premium Area, on May 30 1982. On the purpose of having the children removed from the passport. He then persuaded an embassy official to let him have the pass-

of care was owed by the husband's solicitors to the wife, even though she was in conflict with their client. First, Mr Justice Christopher French hald that there had been no breach of that duty because the loss sustained moneys to its customer, the who set up the insurance, created insured of the insurer. The Good a contractual relationship.

The judge also concluded that the Law Reports, is an important the insurers' agents had a duty to Rolls and the Court of Appeal did behaviour was such that a solicitor who has given an undertak-ing ought to have foreseen the real possibility that once the they had to warn the bank of the risk it ran if further moneys were lent, but failed to do so.

The insurers thus avoided paying for the lost ship but had to pay the bank almost \$3m for the loan which the bank was unable.

The principle is the same as that emerging from the Skandia, the Good Luck and the Comfort Letter case. If parliament is not prepared to assist by strengthening the law against dishonesty, the trial judges are finding ways of parsuading those who are involved as bystanders to intervene. If they do not, or if they benefit in some way from the misdeed, they could be held lisble in damages to those who have suffered as a result. This may not be the ideal solution but is mohably the effective second best.

The author is a partner in the China are at the Bally beauty of Bally B City law firm of Fishburn Boxer.

Correction: The headline on the Business Law column in Wednes-day's FT incorrectly placed the European Court of Justice in The Hague; the headline should, of course, have read Rogue elephant

HONG KONG

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23 JUNE 1988

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FINANCIALTIMES

FINNISH INDUSTRY

Olli Virtanen on Finnish plans to roll back the public sector

Valmet's slow road to the bourse

VALMET, THE Finnish metal and engineering group, is to seek private capital on the stock markets. But, as a host of other to the wings can testify, the pro-cess of partial privatisation can be slow and difficult in Finland.

The Government will gradually open doors for a limited number of companies to issue shares, but t has no intention of relinquishing control of any of them. Thus the Government will not actually divest its holdings, it will simply let its ownership shrink with the

issue of new shares. Valmet, headed by Mr Matti Kankaanpaa, is the world's leadhankaanpaa, is the world's leading paper machinery manufacturer, with other interests in automation and tractor and transportation equipment. Other candidates for partial privatisation include Outokumpu, the metallurgical group, Veinsilando, the forest products company, the more, the management of state-other forest products company, and Nesta the cit and paint access to competitively priced group and Nesta the cit and risk capital.

Common thread

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All of the companies generate most of their revenue outside finland. Another common thread is that, with the exception of Neste and its privileged position in oil imports, the companies are not protected by state monopolies.

Since early this decade Finland's state-held industrial companies, which account for about received just FM47m of new capital per cent of the country's total of FM25m (\$86.1m) in dividends [481.2m] in dividends in 1986 and policy of FM340m and FM270m.

Valuet, which ploughed FM12m hack into its business via capital investment last year and paid dividends of FM42m, panies, which account for about received just FM47m of new capital from the Government. Group output, have changed dramatic temporary in 1987 was FM73hm.

17 per cent of the country's total tal from the Government. Group cutput, have changed dramatically.

Traditionally regarded as part of the welfare system, providing jobs and cheap services, they were suddenly required by the Ministry of Trade and Industry to make a profit. And profits they have made.

Large groups. Hise Enso-Guizeit tal from the Government. Group tall from the Government tall from the Government tall from the Government. Group tall from the Government tall from the Govern

Large groups, like Enso-Guizeit miums.

Large groups, like Enso-Guizeit miums.

And Valmet, have turned from deep losses to impressive results in just a few years. Mr Ilkka force behind the Government's political Meology, is the driving in just a few years. Mr Ilkka force behind the Government's Suominen, the Minister of Trade and Industry, says proudly: "My to outside shareholders.

Suominen, the Panzar division of Trade and Industry, says proudly: "My to outside shareholders.

Office is the Panzar division of The initial steps will be causing the force of funds. And secondly, the company's president is not desperately short of funds. And secondly, the company's president is not ready for it."

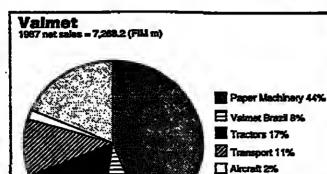
But he points out that another the company has declared its aim to seek a listing on the Helsinki of Suominen says: "First, the Government is not desperately short of funds. And secondly, the company's president in function and the company has declared its aim to seek a listing on the Helsinki of Suominen says: "First, the Government is not desperately short of funds. And secondly, the current political climate in Findand's structural reform, who is also while other ministries provide the company has declared its aim to seek a listing on the Helsinki of Suominen says: "First, the Government is not desperately short of funds. And secondly, the current political climate in Findand's structural reform, who is also while other ministries provide the company has declared its aim to seek a listing on the Helsinki of Suominen says: "First, the Government is not desperately short of funds. And secondly, the current political climate in Findand's structural reform, who is also when the company has declared its aim to seek a listing on the Helsinki of Suominen. Stock Exchange within two seeks a listing on the Helsinki of Suominen says: "First, the company has declared its aim to seek a listing on the Helsinki of Suominen. Stock Exchange within two seeks a listing on the Helsinki of Suominen says: "First, the company has declared

In other words, if a state-owned company has to reduce its work-force in order to be competitive it "Valmet experience" before will first watch carefully the adds.

We may well move toward totalling FM23bn in 1987, Neste company has to reduce its work-force in order to be competitive it "Valmet experience" before allowing other companies to following other companies to follow suit.

At this stage he does not care to disclose the extent to which legal seal on the move. The companies that the Government has the odisclose the extent to which legal seal on the move. The companies to follow suit.

However, Mr Suominen Valmet will be privatised, pointing out that the Government has pressure from the very economic no immediate plans to amend the policies he dictates. More and



group, and Neste, the oil and risk capital.

As it is, the ministry usually receives more from the companies to dividends than it gives back to capital increase

State-owned companies paid a most of their revenue outside total of FM355m (\$86.1m) in divi-

the hospital services." foremost conservative party.
In other words, if a state-owned explains that the Government

avoiding counter accusations of a state giveaway.

Finnish analysis unanimously agree that Valmet is in a good enough commercial shape to be floated on the stock market. But opinions differ on how the issue

opinions omer on now the issue ought to be launched.

Should it be targeted to the company's personnel, to Finnish institutions, to Finns only or to foreigness as well? Would a tender offer produce better results than an ordinary share issue? These questions and others are now being deliberated by most of Finland's financial institutions and some half a dozen foreign banks and brokerage firms which offer services to Valmet.

Domestic demand

It is likely the initial issue will ot include free shares (shares available to foreign investors) because the Government primarily intends to satisfy domestic

In theory, says Mr Suominen, Finnish law would permit for-eigners to buy up to 20 per cent of any of the companies

Furthermore, the companies could also seek listings on bourses outside of Finland. Outokumpu is the company most widely tipped to follow Val-met into the private sector. It has already made an agreement with employers to compensate reduced retirement benefits in the form of

company shares. The company announced last March that it would target an issue worth FM500m - about 25 per cent of its equity capital - to employers in exchange for raising the current average retirement age of 55 and reducing pen-

sion benefits. the state's disposal to 40 per cent Outokumpu's moves so far do not include a public offering, but

Matti Kankaanpaa: seeking

private capital

But he points out that another tal. With a group turnover of 10 years could make all the differ FM28bn and capital investments ence. "We may well move toward totalling FM23bn in 1987, Neste

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Grampian's Going Places

AND PROCESS TO THE TOTAL FOR THE FOR THE STATE OF A NEW FORCE TO CANADA SEMERGI MORE OFTEN, WITH MORE

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travel that's the envy of others. Now you'll be able to choose from 35 scheduled flights a week to Canada, from 8 departure points throughout the U.K. Overall, no other airline will provide as many direct scheduled routes, including 23 flights a week from London (Gatwick) alone, to Montreal, Ottawa, Toronto, Winnipeg, Calgary, Edmonton and Vancouver Wardair Canada is in business. The exceptional standards for which Wardair Class' is internationally renowned have now been applied to the new Wardair Business Class, giving a level of service that others might call first class. V You'll experience individual attention, through separate check in,

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Wardair Canada

THE CHARGES imposed by Lon- quarterly report on the quality of don Stock Exchange market-mak- its markets, the average spread, ers in the form of spreads or touch, between the best huybetween the huying and selling prices, for the prices for shares have this year remained consistently at levels well above those imposed before the Big Bang reforms of October 1986. according to figures released yesterday.

The high statement of spreads or touch, between the best huying and selling prices, for the most actively traded aloha stocks, stayed around 1.2 per cent touch before the Big Bang. Compares with an average 0.9 per cent touch before the Big Bang. Mr Ketth Goldie-Morrison, bead intended by ministers to shake of the Stock Eychange's quality.

The high charges, which have persisted in spite of the massive influx of new competitors and risk capital since 1986 and the shortage of customer husiness in recent claims of several ageocy hrokers of tacit collusion betweeo the market makers.

The hrokers bave complained The hrokers bave complained that the market-makers have been refusing to carrow their spreads again after they more than doubled in response to the greater share price volatility at the time of the October 1987 stock market crash. Although the spreads narrowed again slightly between late November and early January, since then there bas been no further narrowing of been no further narrowing of spreads, even though volatility has continued to die down.

of the Stock Exchange's quality of markets committee, said that he thought that any further narrowing of toughts of the stock of the st

dramatic than was feared a few months ago. The volume of share dealings with external (non-Stock Exchange) investors fell off sharply in the aftermath of the October crash and reached its october crash and reached its nadir in February when turnover fell to £564m per day. In March the figure rose to £846m.

In foreign equities the daily

customer turnover has fallen as distingui from £500m per day in the third the project quarter of 1987 to £300m in the

David Thomas visits the first of the Government's planned city technology colleges

Kingshurst pioneers blue-chip approach to education

the bland expanse of featureless council estates lying between Birmingham's National Exhibition Centre and the outskirts of the

city proper.
Earlier this week, workers were climbing all over a six sto-

of the Stock Exchange's quality of markets committee, said that he thought that any further narrowing of touches since April was unlikely.

The wider spreads have nelped ensure that the fall-off in revenue of securities firms has beeo less dramatic than was feared a few important companies which have nailed their cheque books to the CTC mast.

However, Mr Jack Straw, school Labour's education spokesman, is convinced that CTCs will prove, in his words, to be Mr Baker's "Achille's heel." His doubts are echoed, albeit more discreetly, by some corporate giants every bit as distinguished as those backing

first quarter of this year. In the Baker in 1986, are aimed at severnment raded options market, trading eral targets. They are one of a costs. bas fallen by about 40 per ceot clutch of initiatives to hreak the According to the figures pubcompared with early 1987 to monopoly of local anthorities shurst's dynamic principal, has straddles both Solihull end Birlished in the Stock Exchange's 29,000 contracts per day.

Straddles both Solihull end Birlished in the Stock Exchange's 29,000 contracts per day.

THE REPUTATION of government ministers hangs on an experiment coming to fruition Possible curriculum for years 1-3 Businass Understanding and Personal Design and its

They are a response to claims among husinessmen that the edu-

year-olds with a bent for science and technology. Commercial sponsors are being sought for as distinguished as those backing the project.

CTCs, first announced hy Mr Baker in 1986, are aimed at severence to sponsor tormally contributing at least film. Central government covers the running

Velerie Bragg, King-

lege's first batch of 180 11-year-olds. All the 350 children who

applied, together with their par-ents, were interviewed. duce enough young people with the right skills, and they are part the full ability range, so that the CTC could not be accused of could not be accused on the could not be accused not take a more active role in schools.

CTCs will be non-fee paying, independent of the local authorities, and will cater for 11 to 18—

CTC could not eactive of active of catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the ethnic minorities, mainly ties, and will cater for 11 to 18—

West Indian, reflecting the popular catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the ethnic minorities, mainly ties, and will cater for 11 to 18—

West Indian, reflecting the popular catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the catering for an elite. The intake is evenly divided between boys and girls. It has 7 per cent from the catering for an elite. lation make-up of its catchment area

> ately wide: CTCs are meant to ginger up as many local authority schools as possible, but not to draw too many pupils away from any one school. Sited in Solihull, Kingsburst's catchment area

competing with about four sec-oodary schools from each. paid about 5 per cent above the cities." In his assault on CTCs. Mr

The terms will be a week or two against lt. It's the wrong way of longer than most state schools. In solving the problem that creates return, the teachers are being a cuckoo in the nest in the big

pear-oid staime will be spent on technology-related subjects, including maths, science, design, information handling, economic awareness and husiness understanding. By the sixth form, most of Kingshurst's number will be added to subject the college legal and financial part of the capital costs." Mr Cyril Taylor, the businessman advising Mr Baker on CTCs, now acknowledges that of Kingshurst's number will be advise the college on its information. of Kingshurst's pupils will be advise the college on its informatico technology needs. Industrialists sit on advisory

Mrs Bragg, previously head of a state secondary school in Hereford and Worcester, insists that Kingsburst will not ignore the humanities or arts. "Drama and multiple or arts." Drama and backets it on advisory committees established by Mrs Bragg, including groups on the sclence and maths curriculum and how to appraise her teachers. Yet for every company that has because the school of the scho a state secondary school in Hereford and Worcester, insists that
Kingsburst will not ignore the
humanities or arts. "Drama and
music and the aesthetics will be
very high on the agenda. They
are part of making them rounded
people."

But they will be taught in a
way novel to most schools, Mrs
Bragg says. Pupils will learn
music with the help of computers
and music synthesisers. English
will he taught using desk-top

and music synthesisers. English mitted to other education prowill he taught using desk-top publishing techniques. "It will be technology in everything."

To fit this in – plus the compulsory extra-curricular activities – Kingshurst will work longer than most schools.

Mr Derek Roberts. GRC's technology and the Mercers Company, to turn the school into a CTC. Mrs Adele Gordon-Peiniger, a parent governor at Riverside, said yesterday the governors and most parents had opposed the idea, but so far to no awail.

Mr Derek Roberts. GRC's technology.

British Coal

criticises

plans for

electricity

By Charles Leadbeater and

BRITISH COAL yesterday criticlsed the privileged status of nuclear power under the Govern-ment's plans for the electricity

industry, but was itself warned by the Central Electricity Gener-ating Board chairman of losing market share unless it "got its

Lord Marshall, the board's chairman, said that natural gas

power stations could eventually account for "several per cent" of the electricity market unless British Coal and its unlons had

sufficiently improved the indus try's competitiveness.

Mr Malcolm Edwards, British

Coal's commercial director, meanwhile, challenged the Gov-ernment to explain its intentioo

to put an economic "ring-fence"

round nuclear power while the coal industry was at the mercy of

market forces and exp-sed to

threat of significant imports by a privatised electricity industry.

at a conference on coal and the environment, were aimed at the privileged place of tuclear power

under the Department of Ener-

gy's plans to privatise the elec-

tricity industry.

Mr Michael Spicer, junior

Energy Minister, will be under

pressure to re-state the Govern

ment's policies when be

On Tuesday Mr Spicer criticised British Coal for taking too long

to introduce more efficient work

ing practices.
Mr Edwards expressed surprise

that the privatised electricity

industry would be expected to

obtain at least 20 per cent of its

power from renewable, primarily nuclear, just as falling coal prices

have undermined the economic

case for constructing new power

Mr Edwards' comments seem

to signal a departure from British Coal's longstanding refusal to

enter polemics on nuclear power

Despite the replacement of coal by nuclear generation, the Corpo-ration has previously remained mute on the controversial issue.

ddresses the conference today.

Mr Edwards' complaints, made

Kingshurst will be marked out from these schools by its curriculum. About 50 per cent of an 11-year-old's time will be spent on technology-related subjects

the private sector will provide only a quarter of the costs on Moreover, reflecting difficulties in finding sites, which CTC back-ers blame on recalcitrant Labour authorities, proposals have been made to transform existing schools with adequate or good

track records into CTCs.

The governors of Riverside school in Thamesmead, just outschool in Thamesmead, just our-side London, were meeting last night to discuss holding a ballot of parents on the proposal, which is backed by the Thamesmead town anthorities and the Mercers Company to their the school into

ger than most schools. Mr Derek Roberts, GEC's tech-Eleven-year-olds will stay one nical director and newly day until 5.30pm, instead of the normal 4pm. Final-year students College, London, spoke for many have a longer working week. When he said: "We're dead that 15 colleges will have been announced by the end of the year: a hurst of announcements is promised after today's in Mid-dlesborough.

Agriculture

'UK summit

ERITAIN is to make progress

on reducing agricultural subai-dies one of its priorities at the world economic summit starting in Toronto on Sunday, Mr Nigel Lawson, the Chancel-lor of the Exchequer said yes-

In a briefing before the sev-en-nation gathering Mr Law-son indicated that he expected

discussions on the general eco-

discussions on the general eco-nomic ontlook in Toronto to be uneventful. "That is because the world economy is in such good shape", he said.

If there were any risks fac-ing the world economy they were of higher inflation rather than of a recession. In those

than of a recession. In those circumstances it was essential

"vigilant", but Mr Lawson

declined to single out the US as the country facing the most

significant inflationary pres-

Britain's proposals to accel-

erate progress in dismantling agricultural subsidies would

focus on a call for an immediate freeze on existing subsidies

followed by a gradual reduc-tion, though without any spe-cific target date.

that such a plan was more

realistic than the US proposal

to eliminate completely all

subsidies by the year 2,000. He

acknowledged, however, that

his proposals were likely to

face opposition from other

European summit countries. France and West Germany

have shown themselves far

from enthusiastic about such

Referring to proposals to ease the debt burden of the

poorest countries in sub-Saha-

ran Africa, Mr Lawson said he was more hopeful than he had

been any time since he launched his initiative last

year that an agreement could be reached. The US, however,

would have to be ready to increase its contribution to

ideas in the past.

The Chancellor suggested

COVELD

6 Malla

subsidies

priority' By Philip Stephens

GLOBAL INTEGRATION OF JAPANESE MANAGEMENT

ADVERTISEMENT

Competition and Co-operation

Although it may seem contradictory, Toyota sees the key to world auto industry growth in a combination of competition and

Toyota Motor Corp. President, Dr. Shoichiro Toyoda outlined the group's philosophy.

Robins: In just 50 years, Toyota has emerged as one of the major players in the world auto market. To what do you attribute your success?

Toyoda: We didn't prosper right from the beginning. After the first 12 or 13 years, we had difficulties and were forced to make some lay-offs. At this time, around 1950, Japan as a whole faced problems, since it was right after the war, and we were suffering from the tight financial policies that were pursued at that time.

When the motorisation of Japan began in earnest from the mid-1950's, Toyota began to increase its production. And in 1959 we huilt our second plant, the Motomachi plant, which was dedicated solely to producing passenger cars. Prior to that Toyota had manufactured mostly trucks. As the motorisation of Japan proceeded, we expanded our market share and now we have 11 plants in Japan alone. As for exports, we have had our troubles there too. In fact, our first passenger car exports to the U.S. in 1957 were a complete failure. The cars were not suited to U.S. highway driving conditions and we were forced to halt exports while we resolved the problems. Our expansion since then has not always been smooth sailing, but nonetheless we have gradually grown to the point where we now export to some 140 countries. So, while we have prospered it has not been

Robins: Part of your success stems from a philosophy of seeking to be at the cutting edge of technology. Toyota as recently taken some steps to enter the communications sector. How does this fit?

Toyoda: The auto industry in Japan, the USA and Europe, is essentially a mature one. However we see our purpose as being to contribute to enriching our customers' lifestyles through automobiles. and our efforts will always be concentrated on this. In the mature markets, one means of doing this is by installing car telephones and similar items which we have been seeking to develop. Basic telecommunications equipment can be installed in autos quite easily. But we have to work hard at finding means of maximising the use and benefit of such equipment. Not only in Japan, but also overseas, we have to work to increase the use of car telephones, which will also help to increase the appeal of our products. We want to provide this equipment inexpensively, and by taking a small step into the communications sector this may help achieve our long-term goals. Looking more broadly, we are involved not only in the field of transportation, through autos, trucks, forklifts, and the like, but also in other areas. For example, we make prefabricated houses. Using the technology that we have accumulated in manufacturing and assembling autos, we build the individual units for these single family dwellings at our housing plant, and do final assembly at the site.

US venture on stream

Robins: What are the most recent developments with your verseas production?

Toyoda: First of all, with our overseas activities, we always have in mind that we must blend in with the economic and social features of that country we are working in. At present, we have production facilities in 20 countries, with 27 plants and, this year, we will be starting up new operations in the USA, Canada and Taiwan.

We naturally consider that it is important to contribute to the society and the economy of the host country. In order to achieve this, competition, and also cooperation, is important. This can be seen at our NUMMI plant in California, which is a joint venture with GM. While GM and Toyota continue to compete in the U.S.,

and, moreover, the world marketplace, this joint venture has become a model of Japan-U.S. industrial cooperation. It has been three and a half years since the first car rolled off the production line at NUMMI in December 1984. In that short time the company has established a reputation for producing high quality cars and for maintaining a successful labourmanagement relationship based on mutual trust and respect.

Robins: Your sales to Europe seem to be on the rise. What plans do you have to boost production in that market?

Toyoda: Right now, we have no plans for any new large projects there. We do, however, already have a plant in Portugal from which we export a small bus, the Coaster, to the United Kingdom, and the Land Cruiser, which mounts an Italian engine, to Italy and Spain.

Also, we are planning to begin co-producing one-tonne pick-up trucks with Volkswagen in the Federal Republic of Germany early next year. And in France, we are producing forklifts in a venture with Manitou B.F. In the field of R&D. we established a technical centre in Brussels last September. and last week announced the groundbreaking of a new design



Dr. Shoichiro Toyoda, President, Toyota Motor Corporation

centre at the same site. So, through a variety of activ-

ities in Europe, we continue to meet the needs and tastes of our customers. The European market as a whole is our third largest market after Japan and the U.S. And, as I have been saying, we always seek to co-operate with the economy or the society of our host country. With this in mind we would like to continue to export in a prudent manner.

Robins: In the light of ongoing trade friction, what are your views on the best means of resolv-

Toyoda: I think in any trade relationship, competition as well as co-operation is very important. While co-operation is key to overcoming the various difficulties that face us, competition is also essential. It is essential to the vitality of the industry and to our ability to continue providing customers with the best possible product. I think our European and American coun-

TOYOTA

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1-4-18, Koraku, Bunkyo-ku, Tokyo 112, Japan

London Office: International House, World Trade Centre, 1 St. Katharine's Way,

terparts agree with this.

Also, when we look back over the past three years, we see that European auto exports to Japan have risen by 40 per cent annually, and I believe that this tendency will continue. Along with this, we at Toyota Motor Corp. are making continuous efforts to source parts and components from foreign suppliers. With auto imports into Japan, we continue to make efforts for foreign manufacturers to penctrate our market more easily although with, for example the taxation system, there are still problems which need to be rectified. As president of the Japan Automobile Manufacturing Association, I have been seeking the support of the Government on this issue, and I believe that some progress will be achieved.

In addition, over the past two to three years, total demand for autos in Europe has continued to increase, helping to stimulate its manufacturers, and I hope that this trend continues.

Textile industry hit by soaring imports

A SHARP rise in textile and cloth-clothing imports at the start of the year and singgish exports

The industry has been helped have hit output and employment in the textile industry. Imports rose by 15 per cent to £1.8bn in the first quarter,

according to figures published yesterday by the British Textile Confederation. Clothing imports were 18 per cent up at £793m. The industry has been hurt in recent years by a sharp rise in textile imports from low-cost producers in the Far East, fuelled by the fall of the dollar and of the

Far Eastern currencies linked to Until last autumn the industry could count on a slowdown in European imports to balance this influx from the Far East. Since then, however, sterling's strength against European currencies has

both sources. The stronger pound also took its toll on exports. The rate of export growth slowed to just 5 per cent to £837m in the first quarter.

catalysed a rise in imports from

Altogether, the balance of trad-

by buoyant consumer spending on clothing and the recent growth after several lacklustre years in expenditure on home

furnishings. Yet pressure on prices due to the import surge and steep rises in raw material prices have combined to squeeze profits.

Output in textiles and clothing

fell by 1 per cent over the first quarter of 1987, and 3,000 textile workers lost their jobs in the first three months of the year.

Knitwear has been among the most vulnerable sectors. The increase in imports was com-pounded a fashion change towards more tailored clothing. Many knitwear companies are now on short-time working. Coats Vivella, one of the largest producers, announced job losses earlier in the year. More recently. Corah made nearly 800 people

Courtaulds and Lister acrylic mills have also been forced to close milis under pressure from cheap Turkish yarn,

THE BARLOW CLOWES AFFAIR

Auditors warn it could happen in other companies

BY RICHARD WATERS

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FORMER auditors to Barlow diverted out of the company to Clowes warned yesterday that Geneva, hot that the anditors misuse of investors' money of the were not informed. This was said that the company to the company t kind snspected in the Barlow Clowes case could occur again, in pany's main system centred and spite of new tougher regulations contained in the 1986 Financial ing that it did not pass through Services Act.

"I think it certainly could happen. We would hope that under the Act there is a lower probabil-ity," said Mr Bob Willott, a part-ner at Spicer & Oppenheim, which and ited Barlow Clowes International, the Gibral-tar-based company, but no client money had been transfered to

year.

The ability of companies legally to set up networks of related companies, and to use nominees companies to disguise the true ownership of invest-ments, made it virtually impossible to uncover how funds had

been applied, he said.

Regulators and anditors are only likely to be aware of the existence of related companies if they are pointed out by directors. Another auditor of companies controlled by Mr Peter Clowes, Arthur Andersen partner Mr John Priestley, last week criticised the "free-for-all" that allows

transactions hetween related companies to go unregulated. In the Barlow Clowes case, companies connected with Mr Peter Clowes and audited by Artbur Andersen and Artbur Young disclosed in their accounts the existence of unsecured interest-free loans made by Barlow Clowes nominees.

However, Spicer & Oppenheim, as the Barlow Clowes auditors. were not aware of the existence of related ovarseas companies through which money may have been channelled.

Barlow Clowes Gilt Managers, makes it a continuing risk for the UK investment vehicle, until investors to put money into off-june 1986. Papers lodged in court shore companies, even if their at the end of May this year adverts carry a reference to alleged that an amount of approval by a UK-anthorised between £7m and £14m was firm.

to be dealt with "outside the comthe company's books, and therefore could not have come to the auditors' attention.

money had been transfered to companies until their takeover this company by the time the by James Ferguson Holdings last auditors' involvement ended in

> No audit of Barlow Clowes companies has been completed since then. After the takeover by James Ferguson, the Barlow Clowes companies' year ends were changed to coincide with those of the parent. This left a 17-month gap, before Department of Trade inspectors were appointed in November 1987, during which the company went unaudited

Touche Ross, appointed to follow Spicer, never completed an audit of Barlow Clowes. However, they reported on the companies in March last year in connection with the takeover by James Fer-guson Holdings. At that time they pointed out the existence of interest-free loans between the Clowes companies.

New rules under the Financia Services Act are likely to lead to abnormalities being discovered earlier, even if they would not prevent them. These include reports by anditors on compa-nies' accounting and control systems, and spot-checks by regu-

In addition, the Financial Services Act now subjects adverts by offshore investment companies to Also of concern is the way that stringent rules. But other provimisdemeanours at Barlow Clowes sions of the Act, such as those slipped through the audit net, designed to keep clients' money even though the auditors appear separate from the investment to have fulfilled their duties. company's, cannot be applied to Spicer audited the accounts of companies outside the UK. This

Fund management groups were offered to rivals

perate attempt to avoid closure by the regulators, writes Barry

He visited Gartmore and Tyndall after Imro, the Investment Management Regulatory Organisation, had turned down Barlow Clowes' application for authoris-

According to fund managers who talked to him, he claimed at

the time that the UK side of the business was sound, but admit-ted that there might be problems

MR PETER CLOWES offered his find a respectable backer in collapsing fund management order to satisfy Imro about the companies to rival financial soundness of the business. But groups two weeks ago in a desaccording to Mr Peter Scott, a director of part of the British & Common wealth Group, the discussions were only superficial.

Gartmore, like other fund offshore operations, has for som years found it difficult to com e with the high yield offere

by Barlow Clowes. Even though Barlow Clowe International has now been shut down, high income offshore funds of all kinds are being affected by a crisis of confidence, Mr Clowes apparently hoped to and sales have collapsed.

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Teading I lotels of the World

Peter Clowes: arithmetic eventually did not add up



and advisers but got nowhere.

Until he went public two years ago through injecting his fund management businesses into James Ferguson Holdings, Mr

Clowes' companies were private concerns without the published accounts which would normally have circulated antomatically among the bankers, stockbrokers,

solicitors and accountants who

comprise the growing Manches-ter financial and professional ser-

He is remembered vaguely by some of the professionals for the

vices industry.

Mr David Pine, the partner in solicitors Alexander Tatham and Company, which is planning a joint action on behalf of investors in the Barlow Clowes funds, said: They were not sure of him and suspicious of his schemes. They showed him the door."

"It was offering an above average yield for a standard product it: "There are a whole brood of and you had to wonder why," Mr brokers up and down the country David Adams, managing director who know very little about the time in the 1970s when he was trying to get his gilt trading schemes off the ground. He did

the rounds of many of the larger of Henry Cooke Lumsden, the brokers, financial intermediaries leading Manchester stockbroker which is Britain's biggest outside

> It was this sort of reaction that made it clear to Mr Clowes that he would have to operate among smaller financial intermediaries. often one-man firms operating in suburban high street hack offices, who would be less choosy.

As one north-west solicitor put

products they sell. They are just interested in the commission and Mr Clowes was prepared to pay

them over the odds in that department." There may well be a fine line between when a commission becomes an inducement. A normai level would be 1 per cent, not the 2 per cent Mr Clowes offered some brokers. Hopefully, the

with Mrs Elizabeth Barlow when both were members of the sales be did have a passion for motor team at the Manchester branch of Cannon Assurance Ltd in the Carhon Assurance Ltd in the early 1970s. Mr Clowes had joined the company at the age of 25 in 1969 when it was called International Life Insurance (UK) and was a subsidiary of Mr Bernie Cornfeld's Investors Overseas Services, which collapsed in 1970.

International Life was bought from the liquidators in 1972 by Keyser Ullman Holdings, which was chaired at the time by Mr Edward du Cann, the Conserva-tive MP, who also eventually chaired the Conservative back-

benchers' 1922 Committee.
Before the name change, Mr
Clowes was one of the 2,000stroog sales team selling the Dover Plan - much-criticised by rival unit trusts and life groups for the secrecy with which it conducted its operations. The plan was dropped in 1972. That aside, this minor role in the large inter-national sales force was the clos-

est association Mr Clowes bad with Mr Cornfeld, who almost certainly never knew of Mr Clowes.
The Cornfeld phllosopby

behind motivating his sales force

out as an insurance salesman. He days. Colleagues say that he developed his investment ideas dressed modestly and did not have expensive tastes, although

> sport. Mr Clowes is remembered by colleagues as a conscientious worker. They say he was enthus: astic but never engaged in sharp practice. He eventually rose to become a broker-consultant but in 1973 he left to form Barlow Clowes with Mrs Barlow it was a brokerage business seiling gilt investments; Mrs Barlow left the

> company in 1976.
>
> Mr Robert Merrick, direct marketing manager at Cannan Assur-ance, remembers Mr Clowes as a good salesman among the team of 250 which worked from St James's House, in Charlotte Street, Manchester.

Mr Merrick said: "He left us with our good wishes to further his career. Had he not chosen to

leave us we would have been happy for him to stay."

One colleague who looked at the early Barlow Clowes investment packages said: "In theory the yield seemed possible but I knew they were paying commission and management fees and when you took that into account the arithmetic just did not add

Financial Services Act will weed many of these people out."

Mr Clowes would have been well versed in the allure of good this, he did not show many signs commissions because he started of a wish for grandeur in those work and the second run for their money for many years. The figures did not finally step adding up until very recently.

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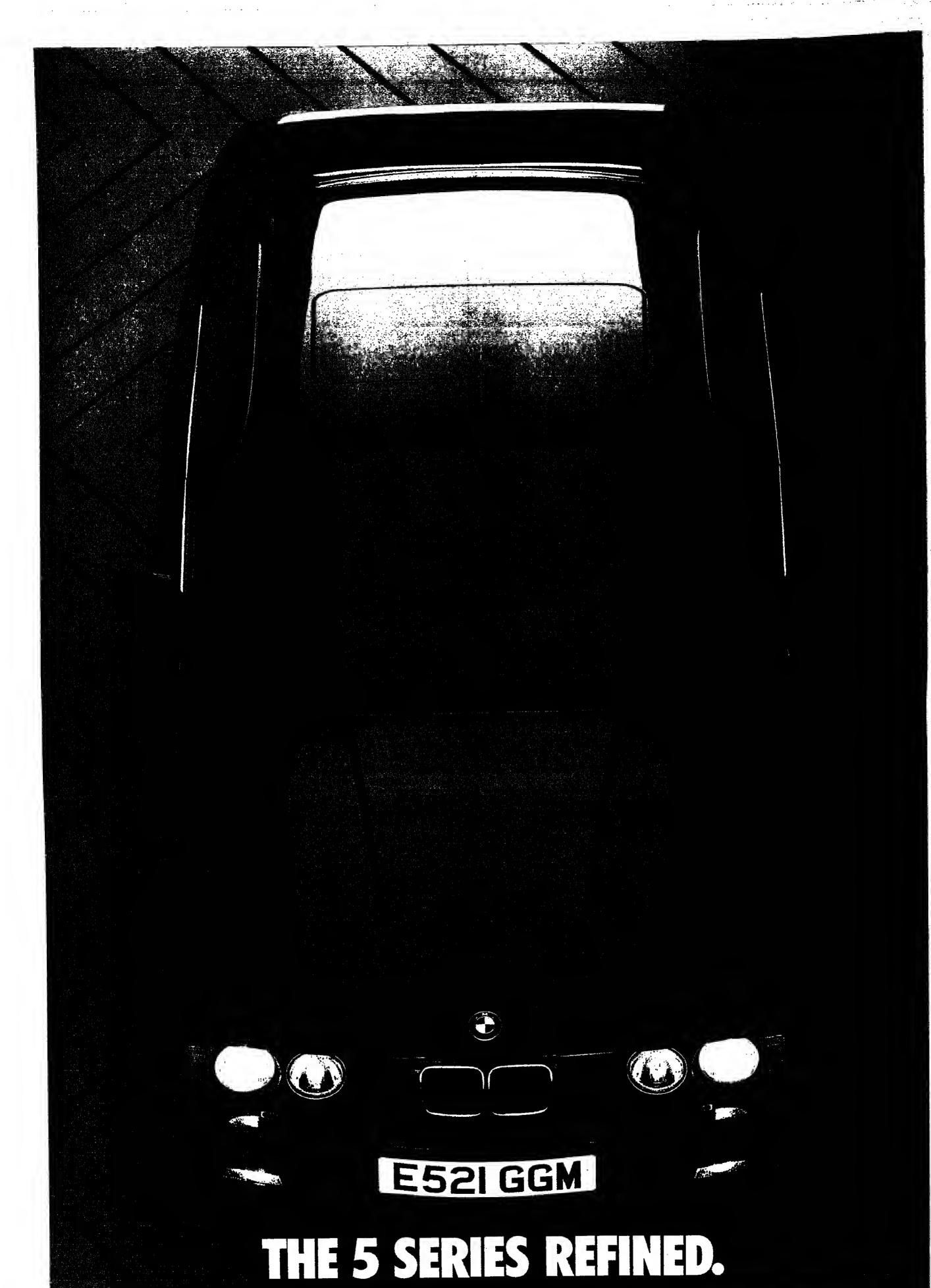
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Neither of these tasks was an easy one.

The current 5 Series, though six years old, includes the world's fastest four door production saloon.

And as for producing some new form of performance saloon, could BMW engineers triumph where others have not?

Frankly, it would appear that they have.

Motoring journalists have not only been unstinting in their praise of the new 5 Series, but also unanimous.

It is no mere facelift. The designers began with a blank sheet of paper.

And not one body panel is carried over from the previous model.

STYLED BY WIND, AS MUCH AS BY HAND.

The new car has a drag coefficient as low as 0.30. With even the floor pan shaped, to provide increased grip at speed.

But though BMW reduced the car's wind resistance, they succeeded in retaining its character. As 'Car' magazine reported:

"... its styling is modern, purposeful and yet unmistakably BMW."

Some credit for the car's appearance must go to those who engineered the chassis. Its wider track, longer wheelbase and lower centre of gravity give the car a sleek low look.

They also contribute to the car's near perfect balance and behaviour.

Back to 'Car' magazine.

"In this class no other saloon offers a better blend of ride, roadholding and handling."

THE INTERIOR IS AS CLASSICALLY BMW AS THE EXTERIOR.

The dashboard is unashamedly driverorientated. Without a single garish liquid crystal gauge in sight.

They may be fractionally more efficient in reacting to information, but BMW judge them rather less efficient in communicating it.

'Motor' obviously concur. "Bereft of styling excesses and gimmicks, the display stands as an example of design purity and clarity."

"The 520i's fascia brings new realism to the term 'carved from solid'. It looks superbly integrated and beautifully assembled from high-grade mouldings."

Of course, BMW have long been praised for their build quality. A reputation they were not about to compromise.

So, despite the trend to build less and less substantial cars, BMW have constructed a more substantial one.

400lbs heavier, the new 5 Series has a bodyshell over 40% more rigid than the previous model. Stiffness that is an aid to swiftness, as 'Motor' found.

"The car's immensely strong rigid bodyshell also allows it to sail over large crests and dips with a feeling of great integrity. There's very little excess body movement: control is simply terrific."

Braking is equally sure.

There are ventilated disc brakes all round. The largest of any car in this class, they operate via a powerful new vacuum servo.

And from the 525i, every member of the new 5 Series has the added benefit of ABS.

SO MUCH FOR THE 'STOP'. NOW ON TO THE 'GO'.

The new 5 Series is powered by what is widely acknowledged as the smoothest range of six cylinder engines in existence.

It begins with a tax efficient two litre. And even this is capable of propelling the car at a somewhat academic 125mph.

Next is a 2.5. It develops maximum torque at just 4,300 rpm. Making the 525i particularly adept at motorway overtaking.

Thirdly, there is a 3 litre that develops an impressive 188 bhp.

And at the top of the range, a 3.5 that will take the car from 0 to 60mph in just 7.7 seconds.

All four are fuel injected. And they each incorporate a computerised engine management system that constantly 're-tunes' the engine for optimum performance.

The car will also calculate its own service intervals. And memorise any engine fault, no matter how fleeting, then report it on its next visit to a BMW service bay.

But it is the engine's performance not its practicality that will attract the keen driver.

It certainly attracted the man from 'Motor.'

"Throttle response is super-crisp and entirely consistent but most impressive is undoubtedly that superlative mechanical smoothness."

Excellent though the individual components of the 5 Series are, it was the car as a whole that impressed 'Motor' most.

"Its real achievement is in the completeness of its abilities, its depth of talent. BMW's standards appear to march forward irrespective of model range or price."

Over the last 4 years BMW invested 4 million man hours in the development of this new 5 Series. And they drove prototype cars and tested components over 2.9 million miles.

(The equivalent of driving around the world one hundred and sixteen times.)

The car that has emerged packs more advanced technology per square inch than any BMW before. Driving it, however, provides some good old-fashioned rewards.

"The 525i is sporty and civilised, fast and economical, well put together and relatively affordable, comfortable and fun to drive."

"This is a sports car dressed as a family saloon, a driving machine which does not sacrifice creature comfort."

These paragraphs represent 'Car's' verdict. BMW now await yours.

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THE NEW 5 SERIES RANGE FROM £15,985 FOR THE 520i TO £24,995 FOR THE 535iSE. PERFORMANCE FIGURE SOURCE: MANUFACTURER. PRICES, CORRECT AT TIME OF GOING TO PRESS, EXCLUDE DELIVERY AND NUMBER PLATES. FOR A NEW 5 SERIES INFORMATION FILE OR TO ARRANGE A TEST DRIVE, PLEASE WRITE TO: BMW INFORMATION SERVICE, PO BOX 46, HOUNSLOW, MIDDLESEX OR TEL: 01-897 6665. FOR TAX FREE SALES, TEL: 01-629 9277.

Finance Director

North East

Our client is an autonomous £16 million turnover capital machinery manufacturing subsidiary of a major British multinational Extensive restructuring and investment in the company has been completed to create an organisation not only capable of exploiting its traditional markets but also those presented by new product

They now wish to appoint a Finance Director who, reporting to the Managing Director and supervising a staff of 10, will assume full responsibility for the finance and associated functions in a demanding business environment. In addition to normal managerial responsibilities the Finance Director will adopt a "hands on" approach to the improvement of accounting standards through the development and implementation of an integrated financial and

c £28,000 + Bonus + Car

manufacturing control system, strict cost controls and cash management and the provision of comprehensive financial information to the management team.

Candidates, aged 28-35, should be qualified accountants who can demonstrate a track record of success gained in an engineering environment. Strong technical skills allied with drive, enthusiasm and first class interpersonal skills are a pre-requisite for the position. This is seen as a high profile role and prospects within the Croup are excellent. Relocation facilities are available where appropriate.

Interested applicants should write to Frederick Howie, Regional Manager, quoting ref: NEOO, at Michael Page Partnership, 25 Collingwood Street, Newcastle-upon-Tyne NEI IJE. (Tel: 091-222 0545).

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A vacancy exists for a fully qualified accountant to provide financial expertise, to help achieve strategic objectives and to manage the finance department which services the Association and its subsidiaries.

The post calls for a sound professional background and experience, possibly in a voluntary body, appropriate to an organisation which employs more than 400 staff and whose annual income exceeds

An excellent earnings package is offered including regularly reviewed salary, fully expensed car, contributory pension and free life insurance. Assistance with relocation can be available.

Applicants, preferably in their thirties, are asked to write quoting reference 1553, and enclosing a full CV, details of current earnings and a daytime telephone contact, to Trevor Austin, Executive Recruitment Division, Binder Hamlyn Management Consultants, 8 St. Bride Street,

BinderHamlyn MANAGEMENT CONSULTANTS

Managing Director

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The Australian Stock Exchange Limited was formed by an Act of Parliament in April 1987. It has subsidiary Exchanges in each State and a range of other companies operate within the organisation's national framework.

We seek expressions of interest from exceptional executives motivated by challenge and the opportunity to make a substantial personal contribution to the ASX's continued effective national operations, its constituent membership and

This is a Parent Board appointment, The appointee will be responsible through strong leadership and learn motivation, for overall strategic planning, goal setting and achievement, fmancial direction and the ongoing development and

Candidates for this newly created position must have a proven general management track record, strong interpersonal skills and demonstrated leadership qualities. The position is supported by a professional team and is responsible for co-ordinating the activities of highly experienced Managing Directors of State Subsidiaries.

Please reply in writing in confidence to GILLIAN SHEATHER or PETER DONNAN quoting reference number 479UK at Peat Marwick Hungerfords Management Consultants, 27th floor, Australia Square Tower, SYDNEY

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FINANCIAL CONTROLLER

Financial Services

The company is a fast expanding financial services group and a leader in its market. Its growth and success have been built on its reputation for excellent client service and an exciting acquisitions programme. The Southern Division represents about one third of the business with nine offices and is a profitable, expanding

The position carries responsibility for financial control and accounting in the Southern Division and reports to a main board director. The focus of the role will be on the provision of meaningful management information and financial advice to the managers. You will play an active role in the management of the business with the support of a small team.

Dorset

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The successful candidate will be a qualified accountant probably aged between 30 and 45.
Ideally you should have experienced both large and small company systems and exposure to a service sector would be an advantage. Most important, you should have good interpersonal skills, commercial judgement and a commitment to professionalism.

Please reply in confidence giving concise career, personal and salary details to Heathar Male, quoting Ref. L354.

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ACA's 30-45

to £35,000 + car + benefits

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The role will cover all financial aspects of the group including statutory financial accounts, management accounts, budgets, variance analysis, treasury, tax, company secretarial matters, liaison with auditors, bankers and lawyers and enhancement of the in-house computerised accounting system.

Candidates (male or female) should have experience, ideally at financial controller level of the key areas listed. Candidates should also have experience of an international environment using modern computerised accounting

Please send a copy of your C.V. to George Ormrod B.A. (Oxon) Douglas Llambias Associates Limited at our London address quoting reference No. 2204.



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London c£40,000



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We would like to hear from qualified accountants, between 33 and 44, who have some experience of property financing, whether with a property company or a financial institution, have successfully managed small teams and have advised top management. Treasury and FX management experience would be advantageous. The employment terms and prospects are exceptionally attractive.

Send CV in confidence to Humphrey Sturt, quoting Ref HS928.

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Shelley House 3 Noble Street

Group Accountant

ACA with acquisition experience

Run from a delightfully located head office in North Bucks, this fast-growing diversified private group of companies fairly buzzes with activity and ambition

The main thrust of the job is to search for, investigate, pursue and finalise prospective acquisitions, and to develop and operate group control and information systems. There will be variety, responsibility and excitement in full measure.

Accountants with acquisition experience in industry or the profession. They must possess entrepreneurial as well as professional talents and be willing to give 100% commitment to earn rewards and

Salary negotiable around £20,000, possibly more for ideal suitability, plus car and normal benefits including relocation help. Share options and/or equity stakes could be

Candidates, male or female, probably in their late 20s, must be Chartered

Please send career details - in confidence - to D. A. Ravenscroft.

Ravenscroft & Partners

Search and Selection 20 Albert Square, Manchester M2 5PE



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The Holding Company for a dynamic group of forwarding and travel companies seeks an ambitious finance sonal to take over from the retiring Company Secretary.

The Group The profitable Group, consisting of companies that are market leaders in their chosen sectors, has over 20 offices and an annual turnover that exceeds £30 million.

Duties The usual legal and administrative duties of a Company Secretary plus overseeing the preparation of Company and Group accounts, using up-to-date financial reporting and management information systems.

Position Member of a management team reporting to the Financial Director.

Qualifications Energetic qualified accountant with good communication and organisational skills. Please reply enclosing concise CV to: Mr. C.E. Sommer, FCA,
Sommer Holdings Limited,
8 Steyning Way, Green Land
Hounslow, Middlesex, TW4 6DL

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This is an outstanding opportunity for an impressive candidate to play a high profile, commercial role. Ambition, drive and initiative will be essential, together with the ability to communicate effectively at all levels. A successful career and rounded financial awareness will be more relevant than specific experience. Prospects are excellent.

If you believe that you are of the calibre required, please send a full c.v. to Carol Barry, Group Personnel Manager, International Leisure Group Ltd, The Galleria, Station Road, Crawley, Sussex, RH10 1HY [Ref. CMG].

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The successful candidate will be responsible for marketing strategy and implementation, top-level selling, client relations, and the phased recruitment and supervision of a sales-team. The ideal candidate (preferred age 33-45) will have had proven marketing experience in the financial services/insurance broker or insurance company executive with the right temperament and good industry knowledge.

Competitive remuneration package, to consist mainly of salary but with a performance related element.

Applicants should write with career details to;-



Peter Stone, Banking Director
Close Brothers Limited
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FINANCE DIRECTOR

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Based in London, and reporting to the Chief Executive, you will take a close involvement in all aspects of the group's trading, commercial and strategic decisions. Control of the finance function and monitoring the overall financial performance of the ACC group will be an essential element.

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Chief Executive, Aspen Corporate Communications PLC, 16 Great College

Street, London SW1



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Section .

Your role will be totally project based, involving all aspects of client negotiations and advice, money raising, mergers, acquisitions and Stock Exchange listings both Ivili and USM, with future secondment to New York, Paris or Hong Kong. You should be qualified ACA, two years PQE up to Manager level, ideally with corporate finance or investigations exposure.

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Coopers &Lvbrand

Plumtree Court, (Ref. PS 304)

Career Opportunity for a **Financial Professional** Financial Controller

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Reorganisation of their Financial Department has led to a major career opportunity for a qualified accountant to head up the department.

Reporting to the Financial Director, the prime objectives of this role will cover all Accounting activities, effective Financial controls throughout the Company, and the management of staff within the Department.

Specific areas of responsibility will include the production of the Management Accounts, the further development of the costing system, budgets, forecasts and the financial appraisal of the new products and capital expenditure.

The position requires sound technical skills, hands on experience of financial management together with the ability to communicate effectively with senior management throughout the company. Candidates idealy educated to degree level must possess full ACMA qualifications and a minimum of 5 years post qualification experience in a high technology manufacturing environment.

Interested applicants should in the first instance write enclosing full CV listing those companies you would not wish your application to be submitted to: Recruitment Manager, Nicklin Advertising Limited, 56 Marsh Wall. London Docklands Enterprise Zone, London E149UE.



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Established less than two years ago, this dynamic division is part of a leading institutional investor, with assets running into Chillions. Their diverse commercial property portfolio is lat UK based, however there are interests in the USA. mercial property portfolio is largely

This innovative property fund management organisation operates at the leading edge of the industry, resulting in exciting demands being placed upon its new corporate finance function. The need has been identified for a commercially astute, qualified accountant to lead the team through the next successful growth stage. Enjoying an exceptionally high profile within the organisation, you will work alongside the Financial Director.

Your initial brief will include responsibility for the planning of corporate structures for development initiatives, involving devising innovative property financing packages. This will demand close liaison with property fund managers, lawyers and on occasion merchant bankers.

Thus, you will need to demonstrate flair and outstanding interpersonal skills, combined with technical competence. Personality is the most important factor for this job. but knowledge of

echnical competence. Personality is the most important factor for this job, but knowledge of property organisations and US accounting procedures will be advantageous. Career opportunities abound in this diversifying group. The excellent benefits package includes a car, a mortgage and a non-contributory pension scheme. Relocation assistance is available.

Write, with full CV and daytime telephone number, to Patrick Donnelly, quoting reference FT/024.

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CONSULTING GROUP

Edited by Geoffrey Charlish

Flat TV screen

starts to grow

TOSHIBA, the Japanese cleatronics group, has begun mass producing four-inch, full col-

our, flat television screens

using liquid crystal display (LCD) technology.

Television sets with three-inch flat screens are already

on sale in Japan, but increasing the size of the device is more difficult than it was with cathode ray tubes in the carly days of colour sets. Since there is no electron

beam to sweep effortlessly across the inside face of the

tube to activate each picture

ture area by using a tiny, thin-film transistor for each

pixel. Such displays have

improved clarity and contrast compared with types switched

entirely from the edges.

The display, LZ-400D, is equipped with a bright back-

eight and can be viewed, it is claimed, even in sunny condi-tions. Only an inch thick, it can be tilted to any position

from horizontal to vertical to

New methods help Caterpillar dig itself out of a hole

Nick Garnett reports on the earth-moving equipment maker's use of advanced manufacturing techniques to cut production costs

THE ABILITY of manufacturing companies to drive down production costs through the introduction of modern techniques is becoming one of the main planks in survival plans for competitive and saturated markets.

Caternillar the world's largest transfer lines with fixed tooling. This type of manufacturing has advantages in high volume, standard production.

The drawback, however, is that it is a rigid system and does not two or three design and engineer to account for about 8 per cent of total manufacturing time in a manufacturing time in a manufacturing time in a manufacturing time in a manufacturing transfer lines with fixed tooling. The life cycle of a diesel engine design to be catered for in machining." says Michel Van Der would last up to 20 years without any significant modification. Now it lasts 10 to 12 years without to account for about 8 per cent of total manufacturing time in a manufacturing time in a machining." says Michel Van Der would last up to 20 years without any significant modification. Tool set-up times, which used to account for about 8 per cent of total manufacturing time in a manufacturing time i

earth-moving machinery company, which a few years ago was nearly crippled with losses but is now making substantial profits, is immersed in this issue.

A combination of rationalisa-tion and reorganisatioo, hetter shopfloor housekeeping and a \$1hn (£550m) investment programme, called Plant With A Friture (PWAF), is cutting production costs by 15 to 20 per cent.

Cat's Gosselies site in Belgium is an example of the changes underway and of the benefits of introducing modern production methods in heavy eogioeering.

ASK PRODUCTION managers at Cater-

pillar about the steel plate used in the

company's global empire of more than

30 manufacturing plants and their eyes

mental manufacturing upheavals expe-

Five years ago. Cat used more than

2,000 plate sizes to make its equipment

and components in a bewildering array

of thicknesses, lengths, widths and

By 1986 this was down to 1,400, last

year the number had reached about 700 and, by the end of next year, Cat expects to be purchasing only 125 stan-

Cat used to be stuck in the mud with

the rest of smokestack America. Dreary factories with slipshod practices, too

much floorspace and too many people

When the recession hit in 1982 and

provided a recipe for disaster.

rienced by a company.

even metallic content.

The new ranges of diesel engines being produced on its new lines

manufacture of different engines with different cylinder configurations. It is also costly to retool when engine design is altered. "It can cost you \$1m just to change the location of one machining hole," says John Winters, vice president and general manager for Cat's diesel engine division.

New machinery in the lines that manufacture camshafts, cyl-inder beads and blocks and crankshafts is designed to be flex-ible. The aims of the systems are to reduce tooling set-np times to a minimum, allow machining of up to three engine types at ran-dom volumes at any one tima and remove workers from materi-

In the engine manufacturing areas at Gosselies (the plant also makes complete earth-moving machinery), 35 large machining systems have been installed. Huller-Hille, the West German machine tool company, has acted as principal contractor for the block and cylinder head line.

For the crankshaft and camshaft facility, Cat has helped design a system using equipment from several machine tool suppliers, including grinders from But-ler Newall of the UK, lathes from Swiss company Georg Fischer This is mainly done through an

being produced on its new lines are costing a fifth less to make than previous models, Cat says. This is the equivalent of an average \$1,200 in savings per engine.

Cat which is based in Illinois, which is based in Illinois, 102 litrs engines on any one day.

The being produced on its new lines stations.

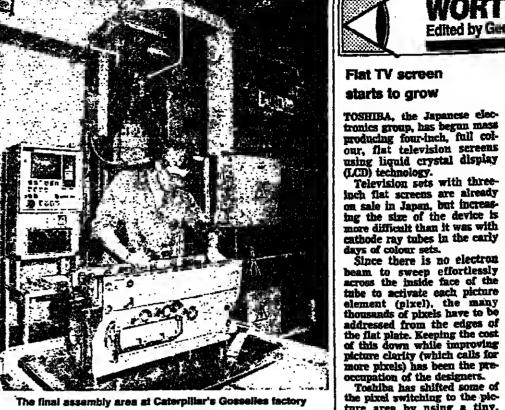
Systems at Gosselies are capative. Costing around \$1m each, they can machine 56 boles at a line using up to eight tool-hold-litre, six-cylinder 6.6 litre and ingrotating heads. With these lines on any one day. makes more than 100,000 engines a year from 50hp to 6,600hp and has traditionally used so-called he systems is also being exerted changed to allow alterations in

typical Cat plant, are much lower

Many other features help reduce manufacturing costs. Heat treatment for toughening metal, which used to be handled in a separate section of the shopfloor. is now incorporated in the machining lines. Smoothing or deburring of crankshafts is done antomatically by a tiny robot with a half-inch tool head.

Cat says the antomation of handling has been carried as far overhead system, made by W+M of West Germany, based on a two-armed, gantry-mounted robot which moves along a track. One arm extracts a component from a machina tool after machining. while the other inserts another

not see it until then." The company claims that the total time for manufacturing a crankshaft will eventually fall in



The final assembly area at Caterpillar's Gosselies factory

Modern production methods also improve quality. "In the old process of machining a block you have to rely on the machinist."

Modern production methods engine block checking the accuracy of all the bore holes. Cat decided when it started to revamp Gosselies that it did not

Gosselies from about one and a machine with a long measuring half weeks to less than two days.

revamp Gosselies that it did not want to load up the plant with equipment before assessing sales says Winters. "He could drill into the water jacket or oil gallery by mistake. The hole would then open up in the field. You might of up to 15 more machines to At the end of the manufactur- increase capacity according to

The display also has a relatively low power consumption, so that it can run for acceptthe trend has accelerated. able periods from quite small "We want to do the things we do well and work with other companies which batteries and can be used almost anywhere. can manufacture components cheaper or better than we can," says Winters.

Opening networks to the little guys

UK ACCOUNTANTS and management consultants Coopers & Lybrand believe that trouble may be brewing in the elec-tronic data interchange (EDI)

EDI often takes place over "value added" data communications networks set up by specialist companies to offer ser-vices to groups within industry. This relieves the user groups of network management and similar problems and offers a service that suits their activity.

There are now several extensive networks in place but, according to Coopers, their mahility to "talk" to each other is increasingly worrying

to user companies, particularly small ones. Large companies, it seems, may use such networks to lock smaller partners (suppliers for example) into their sphere of influence. In addition. Coopers thinks the lack of communications "gateways" between networks could slow the growth of the indus-

These are some of the cor chisions of a report prepared by Coopers for the UK Depart-ment of Trade and Industry and published by the Statio-nery Office. Entitled Value Added and Data Services Interworking Study, the report observes that companies and scribing to different EDI networks cannot send documents to one another. Small compa-nies that cannot afford to subscribe to more than one net-work may be locked out of business with important cus-

The answer, says the report.
lies in co-operation between competing suppliers of network services by setting up communications "gateways".

between their networks.

There is no insuperable technical barrier to doing this, says Coopers, but there are obvious commercial cosiderations and, as yet, most suppli-ers have taken no action.

Belgium lines up telephone initiative

THE RELGIAN talephone administration has switched on the 196th Alcatel System 12 exchange, bringing the level of digitisation in the country's telephone system to:18 per

The work is being shared by Alcatel Bell Telephone (previ-ously an ITT unit) and Atea-Siemens, a Belgian subsidiary of the West German Slemens

group.

Digital public exchanges are a pre-requisite of ISDN (integrated services digital networks). These are planned by most European countries to enable subscribers to exchange data and pictures as easily as speech signals.

The Helgian telephone authority is implementing an ISDN pilot project in which selected subscribers will be able to familiarise themselves with the new possibilities.

with the new possibilities.

CONTACTS: Toshiba: Japan, 457 2104, Alcatel: Belgium, 3 237 1717. Coopers & Lybrand: Lon-

Falling figures tell a story of survival

Steel plate may not sound exciting, but it has become a symbol and statistiwas plunged into the red and sunk to a cal marker for one of the most funda-

loss of \$429m in 1984.
Cat returned to the black in 1985 and last year made a net profit of \$350m on sales of \$8.2bn. In the process, it started to exert pressure on Komatsu, its Japanese rival and a thorn in its flesh throughout the 1980s.

Rising world-wide demand, currency movements and better price margins have helped enhance performance, But Cat has also taken some difficult steps, including cutting the labour force from 89,000 to 54,000 and closing seven facto-- with two more to come.

Under the "Plant with a future" (PWAF) programme, 88 capital invest-ment projects have been identified. It is a sign of how much fat Cat had allowed to build up that more than 80 per cent of the cost of PWAF is self-financing, partly through lower inventory costs. "We did one study at a plant and found that only 5 per cent of material there was having value added to it at any one time. The rest was just waiting for something to happen," says John Winters, of the diesel engine division.

Since 1983, the total value of inventory held by the company has dropped from \$2.3bn to \$1.3bn and the target is to cut the latter figure by half. The cost reductions achieved through

PWAF projects, many of which involve the installation of flexible machine tool cells and lines, are expected to average 24 per cent with an average return on investment of around 30 per cent. About a quarter of them have been completed so far.

New space-saving production equip-ment is also contributing to tool stan-dardisation across Cat. In 1986 the company used 125,000 different tools in manufacturing. The figure is now at 73,000 and still coming down. For example, the number of cutting drills has fallen from 4,600 to 1,000.

Tool standardisation has encouraged the company to reduce drill suppliers from 24 to three, and drill purchasing costs at a typical plant have dropped by

Cat says PWAF will reduce manufacturing costs by 15 to 20 per ceot from 1985 levels and that the time from ordering to final completion of some products will be reduced dramatically, from 90 days to six.

Mannfacturing space has been reduced from 4.2m sq metres and is expected to be down to 3m by 1992. The company says annual cost savings from this type of consolidation will be about \$197m a year before tax.

Most of this has been achieved

through rationalisation and reorganisation, but the company is buying in an increasing number of components. This has been a steady development since the 1960s, when Cat even manufactured the pistons for its diesel engines, but

You can overdo in-house manufactur-However, PWAF has not quite gone

to plan. The main phases are due to be completed by 1991-2, but it is running a year behind schedule. Cat has also backed away, at least temporarily, from its original plan to introduce fully computer integrated manufacturing systems. It has instead adopted proven machinery and infor-

mation systems which are advanced but do not break technological ground. "We thought we would have four levels of linked information systems right up to the top. Maybe that is a vision that we can get to in the year 2000, but now we think that islands of information are okay," says Winters. "I think we have profited from other people's mistakes. General Motors tried to do

that. You have to evolve to it."

world-wide demand for Cat products slumped by 40 per cent the company **Company Notices**

MIDLAND INTERNATIONAL FINANCIAL SERVICES BY FRF 900.000.000 **FLOATING RATE NOTES DUE 1997**

Interest Rate: 7,70%

Interest Period: June 15, 1988 to September 14, 1988

Interest Amount per FRF 10.000 FRF 196,78 FRF 100.000 FRF 1967,78 due September 15, 1988

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Public Notices



8HP Gold Mines Limited gives notice that on Wodnesday 17 August 1988 there will be a general meeting of shareholders at which there will be an election of Directors.

In accordance with the Company's Articles of Association, shareholder normations for election to the office of Director must be received at the registered office of the Company not earlier than Wednesday 22 June 1988 and not later than Wednesday 6 July 1988. Nominations should be addressed to:

The Secretary BHP Gold Mines Limited Forrest Centre, Level 12, 221 St. George's Tca PERTH, W.A. 6000 Shareholders will receive through the mail late in July the Notice of Meeting containing details of the business to be conducted at the Meeting.

SECRETARY

MERCURY SELECTED (SICA/)

10 boulevard Roosevelt **Boite Postale 408** AND THE EUROPEAN L-2014 Luxembourg PAYMENT OF DIVIDEND Notice is hereby given to shareholders that following a Resolution passed at the Annual General Meeting of Shareholders held in Luxembourg on 15th June, 1988, dividends for the year 1987 of US\$0.25 per share for the Singapore &

London

Speakers taking part include:

M. Michel Carpentier Commission of the European

Dr Ian Dewis

These dividends will be paid as from 30th June, 1988, Mr Mike Sheridan against presentation of Coupon No. 4 for the Yen Global Bond Fund and

Coupon No. 3 for the other dividends, at the Company's Paying Agent in the United

Mr Åke Lundqvist

paid on the remaining Funds. MERCURY SELECTED A FINANCIAL TIMES INTERNATIONAL CONFERENCE 16th June, 1988

BANK LEUMI (UK) PLC US \$10 MILLION UNDATED PRIMARY CAPITAL PLOATING RATE HOTES

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bank leumi ימוק לאומי 🕀

for the Singapore & Malaysian Fund, US\$0.30 per

share for the Global Bond Fund, US\$0.25 per share for

the Global Managed Currency Fund, US\$0.50 per share for the Yan Global Equity Fund

and US\$0.19 for the Yen

Global Bond Fund have been

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from whom claim forms may

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هكذا حن النَّصِيل

Fitzwilliam Museum, Cambridge/Susan Moore

Put back on a pedestal

artist companies forms The critical fortune of Baccio Bandinelli is as serpentine as the Loch Ness Monster. The cinque-cento sculptor-draughtsman was vilified by his contemporaries, but esteemed by the theorists and collectors of the 17th century. His reportation as a sculptor of surviving autograph drawings and ink drawings, such as

day June 16 1988

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Part Part

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Ward's current exhibition of Bac-cio Bandinelli drawings at the Fitzwilliam in Cambridge (until July 3, sponsored by Sotheby's) is July 3, sponsored by Sotheby's) is according to Vasari, who directed the first show ever devoted to the artist to the works of antiq-

Unusually for a Renaissance sculptor, Baccio Bandinelli was a prolific draughtsman who founded his own drawing academy. Shortly before his death in 1560, he declared: "All my concentration was fixed on drawing: in the judgment of Michelangelo founded his own drawing academy. Shortly before his death in 1560, he declared: "All my concentration was fixed on drawing: Swan, also possibly directly infining in the judgment of Michelangelo and our Princes and other notables, it is above all in that activity that I have prevailed." It was a claim that even his many enemies were happy to acknowledge.

Vasari, a former pupil but no personal friend, claimed he in the most appealing works on the

The Makropoules Case has plenty of echoes from the golden screen.

She is seen on stage in a suc-cession of expensive and not

always flattering outfits which

make her look as unattainable and unreal as the early screen goddesses. Like a Hitchcock

movie, the production places her in a secure, realistic setting which is gradually disturbed by the unusual turn of events. And

in common with an increasing number of successful Hollywood

but esteemed by the theorists and collectors of the 17th century. His reputation as a sculptor rose with the tide of Neo-Classicism to its zenith in the early 19th century, only to sink witually without trace after Berenson's damming dismissal of 1903.

Berenson's venom proved potent, for modern scholarship has tended to bypass the artist. (To Cacognara, writing in 1824, he was the second greatest sculptor of the Renaissance, surpassed only, by Michelangelo.) Roger Ward's current exhibition of Baccio Bandinelli drawings at the

how can any exhibition fail with such a preface? It was Leonardo, uity, and those of the quattro-cento masters Verrocchio and Donatello (surprisingly, less than 10 of his drawings after the Antique survive). The Leonardo

personality.
Pen and ink drawings, such as that for his most famous - or infamous - sculpture, the coloswith an anadulterated view of the artist. Despite its restriction to works in British collections, the selection is remarkably representative.

The show here the tomb of Henry VIII of England incorporating no less than 142 life-size figures, or for the triumphal erch in honour of Pope Clement VII, the artist's greatest patron.

The compositional sketches reveal an eclectic mixture of artistic references, but also, by their invention, that the sculptor was more than 2 scissors-andpaste copyist.
In three late modelli for the



Philharmonia/Festival Hall

David Murray

Hildegard Behrens may not be a star in the Hollywood mould, but her appearance as Emilia Marty in the new Munich production of The Market Munich production of the final scene, a kind of ance for the final scene, a kind of Lebenstode in which the stage was suddenly divested of its naturalistic trappings, and a transfigured Behrens advanced cen-tre-state on a floor of dry ice for Emilia's ethereal apotheosis. Quite apart from its over-whelming effect as a coup de theatre, the scene captured all of Behrens' concentrated histrionic girts and made the best of the tender, tremulous upper reaches of her voice. In all other respects, John Conklin's realistic, stageworthy

women, Behrens has brought her busband in on the act: Seth sets proved an uncommonly feithful reflection of the 1920s set-Schneidman, the American film ting that Janacek wanted; they also presented a visual feast of period style for the audience, director, is responsible for the staging. If all right-war dramatic sopraright down to the kind of art deco designs that still grace the interinos of Behrens' calibre had taken on this fascinating role, the origi-nality and appeal of The Markroors of many of Prague's best pre-served public buildings.

The supporting cast could

The Makropoulos Case/Munich

Andrew Clark

poulos Case might be more widely recognised. So it is a tribute to Behrens' questing artistic spirit that she has enabled the Bavarian State Opera to mount scarcely be bettered; Kenneth Riegel as the winnish Gregor, Ginter Reich as the Tich auto-cratic Prus, Claes Ahasjö in a its first production of the piece. brilliant gaga cameo as Hauk, Alfred Kuhn as the pedantic law It is also a sign of her fallible yer Kolenaty and Astril Varpay as the Chambermaid - all vivjudgment that she should contimue to believe Schneidman can bring the best out in her. The

staging may be greatly superior to Schneidman's first, flawed operatic attempts with Salome and Elektra in Bonn and Paris; but it underlines that for all her unique gifts, Behrens still needs a strong independent director. singing string lines: for a conser-vative house which has gone In the first two acts, the prowithout Janacek for more than a duction came alive only in the wealth of finally realised musical decade, Munich could not wish for a more attractive re-entry for and visual detail around her. his astonishing operatic world. There were glimpses of the grand dame under the 1920s fur stole

Award for Fischer-Dieskau

Behrens sat passive and immo-bile throughout, as if Emilia's The 1988 Royal Philharmonic Society Gold Medal has been coldness and callous indifference had no better means of expresawarded to the German baritone sion. In the final act, her charac-terisation was weakened by an Dietrich Fischer-Dieskan. It will be presented by Sir Yehndi alcoholic bout of bottle-swigging Menuhin at a gala consers closed in. London on October 18. Menuhin at a gala concert in

On Tuesday it was the Philharmonia's turn to play host to Kurt sanderling as guest conductor. In ment is ever felt, nor even a drasument on those of restoration was matic. There was a particular point in ment is ever felt, nor even a drasument on those of restoration was matic. Shostakovich's last symphony, the Fifteenth, is so enignerable, in the fifteenth, is so enignerable, in the fifteenth, is so enignerable, in the fifteenth in the sum of the state of things falling apart with sum on the sense of things falling apart with sum of things falling apart with sense of t

Sanderling has also a long Russian experience to draw upon: almost twenty years of his mid-functional development. For much of the time most of the pretend that he rendered the sense of the symphony suddenly transparent, but he set out the available evidence with extreme clarity. Until someone unearths a Shostakovich document that "explains" the music as Alban Rerg's private notations have "explained" his Lyric Suite, we are not likely to do better.

The primary impression that the rest was measured and nervertage in the single value of the whole construction "poor but housest" counts.

George Michael/Earls Court

Antony Thorncroft

designer stubble in his north singing "Faith," which they did London hideaway. It took shambolically. another ninety minutes for mighty organ chords and piero-ing laser beams to herald the imminent arrival of The Man.

There were, for such a pack-aged show, rather too many uncomfortable moments, not least when George suddenly dis-

imminent arrival of The Man.

When the light show finally exhausted itself a large white cage was revealed, encasing the band. The front bers slowly lifted up and out poured George, like a hamster enjoying his nightly exercise. He launched, without a blush, into "I want your sex," showing off all those provocative poses he has practiced for years in front of his bathroom mirror.

Sex with George is obviously an exhausting business, with many twists, and twirks, much stomp

There were, for such a pack-

yer Kolenaty and Astrid Varnay as the Chambermaid — all vividity drawn and well contrasted portrayals.

The precise, dynamic and finally sprung orchestral contribution under Peter Schneider was no less impressive for the way it revelled in Janacek's excited rhythmic figures and singing string lines; for a conservative house which the series way. It took shambolically.

George Michael has quickly ing and sudden dashes in all directions. The audience loved it, with George's morbid fascination with bass players — he chases to stream, and did they scream with the same gleam in his eye he reserved for Andrew Ridgely with time Mr Michael was glasses to sing "Faith," or rather in the days when the two lads to orchestrate the masses into looked as if they were actually enloying it all. Oddly enough the shambolically. notably "Hand to mouth," which suggested that the Michael voice, for all the horror stories about its durability, is in fine shape.

Julius Caesar/Barbican

Michael Coveney

and finally disappointing Strat- tive of both murder and menstruford npon-Avon Julius Caesar ation. arrives at the Barbican in a state Bloody Hands all round. The of slightly improved coherence. play is produced in bleeding chunks, much of it drowned in

Gone are the execrable tape-recorded chantings during Mark Antony's funeral oration, and whereas the Stratford Rome of high brick walls and brutal dead ends suggested that events were taking place in an underground car park, Barbican Rome is a more sombre, sinister place is a more sombre, sinister place of charred streets and monuments rife with vicious storms and stab-Farrah's black brick box set.

Farrah's black brick box set.

Alexander Reid's glistening white portia's death by swallowing fire galvanises this Brutus in the tent galvanises this Brutus in the tent

togas and the actors' conspirato-rial bloody rituals support the contention that director Terry Hands was not really straying all that far off his usual style in the unlamented debacte of Carrie. Indeed, when Janet Amsbury's

the Guy Woolfenden reports of trumpeted anthems, around a central performance that remains the best reason for seeing it. Roger Allam's notably wellspoken and dreamily inflected Brutus has deepened in its range and totimations of terror since last April. The idea of murder as a more cowardly variation of sui-cide is undoubtedly reinforced by

Last year's fitfully spectacular beneath her dress that is sugges- short-term plotter whose jerky, boney eccentricity acts like a hightning conductor to the assassination surge. Joseph O'Conor's blandly avuncular Caesar is a far cry indeed from David Waller's despotic stuck fat pig of last sea-son, but he still manages to lead the Ides of March walk-down at the Capitol looking as lost as Len Carlou in search of a musical production. These must be the dictatorial Sieg Hell Follies.

I would like to have seen Nicholas Farrell's Antony with-

out the crass sonic interventions. Linus Roache is adequate but uninteresting in his stead, vent-ing more private grief than public anger over the catafalque, galvanises this Brutus in the tent at Sardis, and the inevitability of destiny and self-destruction converts Mr Allam from reluctant liberator to his companion to the companion of dead warms distilled to the companion of the compani verts Mr Allam from relictant of dead march, dignified topping liberator to his own metaphysical of dead march, dignified topping and entrail-skewering, all lit by Indeed, when Janet Amsbury's hostage. Indeed, when Janet Amsbury's Portia makes proof of her constancy by referring to the voluntary wound in her thigh, she prosis what divides him from Sean had never gone away. A case, I dinces a bloody hand from Baker's wolfish Cassiua, a suppose, of Carrie on regardless.

How the Other Half Loves/Duke of York's

Martin Hoyle

Alan Strachan's production of executive-class Posters. We meet into tortuous gentility. Alan Ayakbourn's 1969 success, both families getting up in the morning. The morning the municate in urgently furrive very funny in its broad style, districtly pair should be casual, but is often this year. Much of it is vintage phone calls from the same table, tracting period pop-music sceneall presented with a breathlessly audacious technical sleight-of-hand that few anthors would conceive, let alone bring off so trium-

hines the aquaionr of the nia Bertram (mousily dowdy) and Guardian-reading Phillips house hold with the opulence of the climber rounding his diphthongs

arabesques, agonising in their The method reaches its apogee links apart. Well-meaning blunembarrassment, on social awkwhen dinner parties on two conderer Frank, a mari cocu who
wardness, cross-purposes, and secutive nights are superimpales himself on the wrong
casual brutality in the sex war - imposed, with the common facend of every imaginable stick, is tor, the wretched Featherstones

The innovation lies in portanging two households linked by furtive adultery simultaneously on lying nastiness) are beautifully played by the incomparable Lavi-

(unwittingly implicated in tha fornicators' alibi), literally swivelling in their chairs between times and places.

tracting period pop-music scene-links apart. Well-meaning blun-derer Frank, a mari cocu who after all a broadly-written role. Christopher Benjamin starts a trifle heavily, but bulldozes through with touching conviction and consistency. Gabrielle Drake drawls nasally through the infinite complications of suburban infidelity in a Barble-doll wig. Stuart Organ and Louisa Rix need a lighter touch as the youngest couple; but Ayckbourn fans will be delighted. A happy

Siegfried Jerusalem/Wigmore Hall

Richard Fairman

Recitals of German Lieder by insufficient preparation. In each Siegfried Jerusalem at the item singer and piants seemed to Wigmore Hall seem to have be reading the notes, not without become an annual event. Quite signs of surprise, as they went which he is renowned have yet to be heard in London is difficult to fathom, and on the evidence of this dispiriting recital might well be counted a total mystery. be counted a total mystery.

Jerusalem is not e natural Lieder singer at the best of times, for the size of the voice militates against the sort of detailed per-ceptions that the art form requires. But on this occasion On previous form one feels that only the most operatic pieces sur-Jerusalem wants to be taken sert vived: "Der Atlas" from ously as a recitalist. He picks the Schubert's Schwarengesung was deepest and most heartfelt songs probably the most impressive of (Beetbovan, Schubert and the evening with its last lines schumann in this programme) ringing out in the grandest Heland approaches them in a duly dentenor fashion (though even reverential way.

But the affect was quite spoiled in three for easy breathing).

mance of Schnmann's Dichterliebe was depressing without compensation. The songs were taken in an almost uniformly slow and ponderous manner; and the laboured feel of the whole thing was greatly underlined by the accompanist Slegirled Manser, whose habit of pouncing heavily down upon the keys would only have been a little more acceptable if he had hit the right ones more often.
Although the flashes of its

glory at this recital were few and far between, this is the most -beantiful Wagnerian tenor voice of a generation and it deserves to be heard in London in its finest apparel. Lohengrin and Parsifa But the effect was quite spoiled in three for easy breatning).

Siegmund (and even Siegfried) on Tuesday by what was clearly

After the interval the perforbackon.

Separate grants for the Royal Opera and Ballet

The Arts Council is to give sepason. Leading the way for the ous performance at the ROH, rate grants next year to the operation Royal Ballet will be a new promise and ballet companies at the duction by Sir Kenneth MacMiler Royal Opera. Extra dancers are being added

Out of the £14.2m grant to the role of Belle Rose.

ROH next year, the Royal Opera in a bid to improve standards, will receive £5.2m; and the Sadler's Wells staff of the Royal Ballet is to be the end of the year, after a con-

system at the same time as outgot Fonteyn. The company will lining the artistic plans for the also be given the opportunity to two ballet companies next sea- have longer periods of continu-

Garden. Jeremy Isaacs, the which was last performed by the ROH's general-director designate, company in 1960. Darcey Bussell, explained the move yesterday as a 19-year dancer who joined

to the complements of both the Royal Ballet and the SWRB to help develop educational work in explained the move yesterday as a 19-year gancer who joined schools.

The state of the present proSWRB last year, is to move to the schools.

Royal Ballet to take the leading role of Belle Rose.

SWRB should move its permanant to the role of Belle Rose.

Royal Ballet will get £2.7m. strengthened, including occa-lsaacs announced the changed sional teaching from Dame Mar-been produced and discussed.

David Churchill

Arts Guide

EXHIBITIONS LONDON

The Royal Academy. Ceanne – The Early Years 1838-72. A concentrated and illuminating study of the formative period of one of the greatest artists of the 19th century. Although he came to greatness in his middle and later years, his early period, far from being inconsiderable as had been generally supposed, is now revealed in all its complexity and contradictory quality. Ends August 31.

and veiled hat in Act 1, and of the prima donna bolding court

from an immense operatic throne

in the backstage of Act 2; but

conradictory quanty. Sinus August 21.
The Royal Academy Summer Exhibition. The 20th Summer Exhibition of Still the largest open exhibition of current painting, sculpture, prints and architecture to the world. The show is a little smaller than usual, but as dense and bixarre as ever, with as many good things to be discovered. Deliy until August 7.
Barblean Art Gallery. Art or Nature. A thorough survey of French photography in the 30th century, as

part of the "Images do France" Fes-tival. The exhibition is especially strong on the great individual pho-tographers of the period, such as Kertesz, Cartier-Bresson, Brassai and Atget. End July 17.

and Atget. End July 17.

The Rayward Gallery (two exhibitions), Angry Penguins is a fuscinating study of the group of young painters active in Melbourne during and just after the Second World War. Also: Paintings from the Phillips Collection to Washington. An enthralling selection from one of the great private collections of modern times. Its scope extends from the 16th century to the present day, but its great strength is in Impressionism and Post-Impressionism - Renoir and Cesume, Braque oir and Cezanne, Braque o. Bonnard and Matisse. and Picasso, Bonzard and M Both shows until August 14.

British Museum. Ukiyoe - Images of Unknown Japan. This large exhibi-tion, of exquisite quality, brings to us, through the work of the greatest masters of the word-block print, the magical "Floating World" of plea-sure and the senses that was the



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city of Edo (modern Tokyo) in the time of the Shoguns — from the 1600s until the 1800s, when Japan was closed to the outside world. Until Angust 14. National Portraits Gaffery, Paolozzi Portraits. A small but intriguing show of a body of recent work on a subject that has fascinated the Scottish sculptor, Eduardo Paolozzi, throughout his long international career. Of perticular interest are the self-portraits, and the several working studies of the architect, Richard Rogers. Until Angust 7.

NETHERLANDS

Amsterdam, Tropennuseum, The arts and crafts of indonesia, illustrated with more than 500 objects in bronze, hamboo, textiles and precious metals speuming 2,000 years of cultural history. Ends August 21.

Amsterdam, Rijksmuseum. Two hundred of the printroom's finest 15th and 18th century ornamental prints, with designs for jewelley, weapons and furniture. Ends June 19.

Amsterdam, Rijksmuseum (rear entrance). Divine Bronzes (some no Amsterdam, Rijkamuseum (rear entrance). Divine Bronzes (some no more than 5cm high) flustrate the stylistic development of Indo-Java-nese religious images from the 7th to the 18th centures and their role to transmitting culture from India and South-Rest Asia to Indonesia.

Galérie Schmit. Prench masters of the 19th and 20th century. The discreetly luxurious three-storey gallery plays bost, yet again, to an exhibition spenning a period rich with creativity and diversity, 396, Roe Saint-Honoré (42.63.6.36). Closed Spudgas, and Brackettes.

Closed Sundays and lunchtime.
Ends July 15.
Pavillon Des Arts. The magnificence
of silversmiths' work in India during the reign of the Moghula testifies to their love of luxury. Every-

day utensils like scissors, knives, betel nut and cosmetics bones are chiseled and adorned with filigree and as righly as organisal chiselled and adorned with filigree open-work as richly as ceremonial objects and amount. 101, Res Rambuteau (42.88.82.80) Closed Mondays and holidays. Ends July 17. Galeris Odermati-Careau. Guillaumin's deep bine of the Mediterranean, framed by green pine transpean, framed by green pine in passerby into an eciectic exhibition of some 50 works by the masters of the 19th and 20th century. 55 Sts. Eng. Faubourg Saint-Honoré. (41.68.92.88) Ends July 30.

Esthams. When 1983. Vienna's city hall is commemorating the Anschluss, the German ameration of Austria in 1933. A large and courageous exhibition which shows how Austrians reacted to Hitler's march into Vienna and the colines and eventual destruction of the Jewish culture. Ends June 30.

Venice, Palazzo Grassi. The Phoeni-cians, the fourth major exhibition at Fiat's imposing arts' centre on the Grand Canal attempts to give a complete picture of this extraordi-nary people, who dominated trade in the Mediterranean for over 1,000 in the Mediterranean for over 1,000 years before their capital, Carthage, was finally destroyed by the Bomans in 165 BC. Many of the 1,200 objects displayed are extraordinarily beautiful, and the 750 page catalogue, published by Bompiani, is excellent. Until Nov 6. Venice, Fondazione Cini. Paolo Veronese, an intelligently presented exhibition to mark the fourth centenary of his death, two-thirds of which is devoted to his preparatory studies for his major works in studies for his major works in Venice. The last few rooms contain 22 paintings, including several mas-terpieces lent by American and

European Museums. Isola di S. Gior-gio. Until July 10. Bome, Russo Del Fulkiose. Goethe in Italy. The exhibition includes a italy. The exhibition includes a mixed collection of objects connected with Goethe's two visits to Italy (1788-1788 and 1790) and gives a vivid idea of the essential equipment for a late 18th century traveller to southern Europe. Plana S. Egiño. Ends July S.

WEST GERMANY

Cologne, Romisch-Germanisches
Museum, Caesar's Glass, the most
important display of Roman glass
ever staged. It covers the period
from Caesar to Justiniam, from the
first century BC to the 5th century
AD. The 162 places are mainly goods
from everyday life. The exhibition is
sponsored by Olivetti and runs until
August 28.

Darmstadt, Mathildenhohe. That's
Jazz - the sound of the 20th century. Darmstadt presents hundreds
of pictures, posters and documents
from the history of jazz and its roots
in slavery. The exhibition includes a
reconstruction of a New Orleans

in slavery. The exhibition includes a reconstruction of a New Orleans Salon, a studio from Chicago to the 1920s as well as an illegal Berlin Studio from the Nazi period when lazz was banned. There are about two concerts a week in a special room with 350 sents.

UNITED STATES

New York, American Craft Museum. An ambitious show that traces the history of American architecture back to the turn of the century and emphasizes the work of artists like Tiffany, Lawrie and Louise Nevel-Tiffany, Lawrie and Louise Nevel-son who were commissioned to add art to the architecture, Ends Sept 4. Chicago, Art Institute. A commany retrospective of the work of Georgia O'Keefe evokes the world of flowers and shulls in the imminous light of New Mexico, Ends June 28. Washington, National Gallery, More than 60 masterworks from superb 18th-18th century collection of Munich's Alte Pinakothek include paintings by Rubens, Rembrandt, Titian, Ri Greco and Van Dyck.

Japan Folkeraft Hussum. Komaba:
Prints by Munakata Shiko and Pottery by Kawai Kanjiro, a special
exhibition commemorating the centensity of the birth of the founder of
the Japanese folkeraft movement.
Soetsn Yangal, includes works by
the movement's two leading practitioners. Renjiro Kawai and Shiko
Munakata. This superb collection of
crafts from all over Japan is housed
to the replica of an old farmhouse
building which accords perfectly
with the unself-conscious beauty of
the objects. Nihon Mingelkan,
Closed Mondays, Suds June 28.
Goto Mussum, Chinese ceramics from
the Goto collection. This is one of the Goth cohermin. This is one of Tokyo's best small museums, hous-ing an excellent collection smassed by railway tycoon, Goth Reita. There is also a pertly, mikempt gar-den. Closed Mondays. Ends June 28.

pieces on loan from Sao Psulo's Museum of Art cover a greater stretch of European art than the title suggesta Beginning with a 12th century hieratic Madanna, they continue with Jerome Bosch's cheeseive fantasics of Saint Anthony's temptation. There is a moving self-portrait by Rembrandt and a portrait of a Cardinal in his red robes by Goya. There is a Chardin and a Pragmand, while the fashionable chronicler of the Belle Epoque Glovanni Boldini, closes the exhibition, (023) 23978. Open all day, Ends

TOKYO

SWITZERLAND

Martigny, Fundation Giannadda, From Rephael to Corot. The masterpieces on loan from Sao Psulo's tion. (028) 23978. Open all day, Ends

Saleroom/Antony Thorncroft Clore sells Impressionists June 10-16

The Impressionist sales in London later this month are shaping up to be the best for many years. Yesterday Christie's announced that it was adding twelve more paintings to its auction on the evening of June 27. They come from the collection of Mr Alan Clore, the majority of which were acquired by his father, the property tycoon Sir Charles Clore, in the 1960's.

The collection shaping prop for tha market in early find the bottom of the stimate, for a London delft plaque of Queen Anne, dated \$9.900 for a pair of Staffordshire all the market in early find the bottom of the stimate, for a London delft plaque of Queen Anne, dated \$9.900 for a pair of Staffordshire creamware figures of cattle, which sold for £1,000 at \$9.900 for a pair of Staffordshire salt-place find the bottom of the bottom of the stimate, for a London delft plaque of Queen Anne, dated \$9.900 for a pair of Staffordshire creamware figures of cattle, which sold for £1,000 at \$9.900 for a pair of Staffordshire salt-place find the bottom of the

Impressionist Exhibition. A good Monet of a sunlit river landscape should approach £2.5m; and there are important works by Chagall, "Paris, la grand roue," and a form of a camel for the paris, la grand roue," and a form of a camel for the paris is a grand roue, and a form of a camel for the paris is a grand ro

Meanwhile on Tuesday evening in London Christie's disposed of the personal collection of English pottery, amassed by the New York dealer Price Glover over the past thirty years, for £200,783 with 23 per cent unsold. This was slightly below expectations, reflecting the calm that has fallen on this market after the recent International Ceramics were wrecked off the Florida Keys to 1622, Mel Fisher has been conducting a multi million dollar retrieval expedition on the ships for over twenty years. Now his recover some of their expenses.

A Renaissance gold chain from the Santa Margarita sold for \$319,000 (£172,432) while a gold the fisher has been conducting a multi million dollar retrieval expedition on the ships for over twenty years. Now his recover some of their expenses.

A Renaissance gold chain from the \$319,000 (£172,432) while a gold the fisher has been conducting a multi million dollar retrieval expedition on the ships for over twenty years. Now his recover some of their expenses.

desperately to re-stock.

The collection should raise more than £10m, with a pretty Renoir portrait, "Femme an chien noir," expected to sell for up to £3m: in 1875 it sold for 61 francs after the failure of the first Impressionist Exhibition. A good Monet of a sunlit river landscape fordering sufficiency white terroit terroit fordering sufficiency white terroit fordering sufficiency and the sufficiency white sufficiency was after Fujian originals, with some repairs, were a disappointment at £15,400 while a London delft blue and white armorial plate with the arms of the Clothworkers Company, dated 1701, did well at £10,450. Another London dealer, Jonathan Horne, acquired a \$150.00 while a London delft blue arms of the Clothworkers Company, dated 1701, did well at £10,450. Another London dealer, Jonathan Horne, acquired a \$150.00 while a London delft blue arms of the Clothworkers Company, dated 1701, did well at £10,450. Another London dealer, Jonathan Horne, acquired a \$150.00 while a London delft blue arms of the Clothworkers Company, dated 1701, did well at £10,450. Another London dealer, Jonathan Horne, acquired a \$150.00 while a London delft blue arms of the Clothworkers Company, dated 1701, did well at £10,450. Another London dealer, Jonathan Horne, acquired a \$150.00 while a London delft blue arms of the Clothworkers Company, dated 1701, did well at £10,450. Another London dealer, Jonathan Horne, acquired a \$150.00 while a London dealer, and the first sufficiency and the first sufficiency are first sufficient and the first sufficiency and the first sufficiency

Manet pastel on paper of a woman in a garden, which Ganguin bought for 500 francs in 1880 and which is now valued at over film.

Meanwhile on Tuesday evening Meanwhile on Tuesday evening Keys to 1622. Mel Fisher has been applications on which is now valued at over the Spanish galleons, the Atocha and the Santa Margarita, which were wrecked off the Florida Keys to 1622. Mel Fisher has been applications on wiltimilion dellers.

recent International Ceramics wreck, made \$275,000 (£148,648) to Fair. Obviously dealers did not the London dealer S.J.Phillips. sell out so well that they need All told the first day brought in \$2,588,443, which was rather dis-The London dealer Alistair appointing Almost a third of the Sampson continues to be a major 200 plus lots failed to find buyers.



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FINANCIAL TIMES

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Thursday June 16 1988

Topping up the NHS

IN A FREE market, some people would spend heavily on health care and some would spend the minimum. The differences in expenditure would reflect differences in wealth, health needs and risk-aversion. One of the main criticisms of the National Health Service is that it lacks the flexibility to respond to these individual consumption preferences. Doctors assess needs according to their own criteria and ration resources. Everybody is treated as though he or she places the same importance on health care.

Mr John Moore the Social Services Secretary, sees these and other arguments as justifying measures to boost private health care. He has pointed out on many occasions that private medicine plays a smaller role in Britain than in other leading industrialised countries. Two main ways of encouraging private insurance have been advocated: tax incentives and provisions to allow peo-ple to "opt out" of the National Health Service. Both policies, however, have severe drawbacks.

In the first place, they involve heavy "deadweight" costs. Vouchers for those who renounce their rights to certain NHS treatments and tax relief for insur-ance premiums might encourage higher private spending on health care. But it is unlikely that the extra resources thus mobilised would exceed the cost to the Exchequer of the unneces-sary subsidies that would have to be extended to the six million or so people who already possess private insurance. Indeed, plausi-ble calculations suggest that a 50 per cent increase in the coverage of private health care would be necessary for the gain from higher private spending to exceed the cost of the subsidies.

Level field

It is not surprising therefore pay. The commitment to equality that the Treasury has opposed of medical treatment need not Mr Moore's plea for sweeping tax have any implications for nonconcessions. Apart from cost con-siderations, such subsidies would sially, in the case of non-urgent run counter to the broad thrust of fiscal policy, which has been to extra should perhaps have access eliminate special reliefs and create a more level playing field. cannot remain an oasis of abso-The compromise reportedly struck is to restrict tax relief for health insurance to old age pen-sioners, which would cost only when so little effort has been

sidles for everybody, but arguably is still undesirable. Private insurance covers a limited list of routine operations, not the chronic and long-term illnesses that afflict the old, who are easily the NHS's biggest client group. The majority of pensioners would gain more from improved NHS services than from tax concessions for insur-ance services designed for healthy young executives.

The opting out proposals are flawed in other ways. Identifica-tion cards or some other bureau-cratic mechanism would be nec-essary to ensure that those who opt out do not continue to make use of free NHS services. The eco-nomic viability of the state ser-vice might also be progressively undermined because the young and healthy would be the first to leave. Those who make the biggest demands on the NHS are typically those who make the iallest tax contribution.

Range of options

So how can the circle be squared? How can the Govern-ment make allowance for different health care preferences with-out undermining the NHS? The obvious answer is to moderate the egalitarianism of the NHS and broaden the range of options it offers. Instead of encouraging opting ont, the Government could encourage "topping up." The NHS should be allowed to offer a much wider range of extra services in return for extra payments. People frequently go to the private sector not because the clinical treatment is more expert but because the non-clinical services are so much more appealing.

There is no reason why NHS

there is no reason why NHS hospitals should not, as a matter of course, provide colour TV, good food, privacy and other amenities for those who wish to pay. The commitment to equality of medical treatment need not to earlier treatment. Tha NHS

Bumpy road out of Afghanistan

just one month after it began. It was never going to be easy and problems were virtually ensured by the way in which the United Nations negotiators in Geneva allowed both superpowers to compromise some important principles, particularly those concerning the rearming of the protagonists, in order to secure signatures on the withdrawal

However, there are still grounds for hope that the Soviet forces will leave quickly and thet the Afghans will be left alone to work out their own political future. This requires tha US, Pakistan and the Soviet Union to becoma less aggressive in their attempts to influence daily events within Afghanistan now in the hope of influencing the political outcome.

The grounds for optimism

include the continuing desire of Mr Mikhail Gorbachev, the Soviet Mr Michail Cortachey, the Soviet leader, to extricate the Soviet Union from regional conflicts; the mujahideen resistance groups' fierce rejection of a US and Paki-stani strategy which would have caused further civilian bloodshed in premature attempts to take and hold key towns; the success ful rotation this week of leadership of the resistance alliance from one of the least to one of the most reasonable figures; and an impending reshuffle of the UN team responsible for Afghan-

Peace hopes

The Soviet pull-out of 115,000 troops began on May 15 more than eight years after the occupa-tion began and more than six to Ecuador to become Foreign years after the UN started trying Minister. This gives Mr Perez de to negotiate a withdrawal. The Cuellar that opportunity to Soviet Union is committed to withdrawing 50 per cent of its bring the resistance into the troops by August 15 and the rest political process. It seems that Mr by next February. It had boped to bave a quarter out by the end of resistance commander, may for last month in time for the superpower summit in Moscow. Bnt the withdrawal has gone much slower than they boped, with significant step forward.

So, in spite of the setbacks, the

Any idea that the Soviet withdrawal would bring early peace to a country which has lost more than 1m lives and seen nearly half its 15m population displaced by the war was quickly dispelled as the resistance and the Afghan

THE SOVIET withdrawal from army supporting President Naji-Afghanistan is in serious trouble bullah's Soviet-backed regime continued to fight each other furiously - so much so that some Soviet troops have been redeployed back to evacuated towns such as Jalalabad. The Soviet Union has lodged

increasingly angry complaints that the US and Pakistan are vio-lating the non-interference aspects of the Geneva accords almost daily by resupplying the mujahideen with masses of sophisticated weaponry. But Moscow know as well as the US that these aspects of the accords were rendered worthless when Mr Diego Cordovez, the UN nego-tlator, was snared by a private superpower agreement on "posi-tive symmetry" under which each reserved the right to resup-ply its respective client within Afghanistan if the other did. The US immediately interpreted Soviet resupply to include equip-ment and vehicles left behind the result has been continued rearming by both sides.

Anxious warnings

This was entirely predictable and indeed inevitable under the accords and understandings. There was no shortage of anxious warnings beforehand and Mr Javier Perez de Cuellar, the UN Secretary General, was among those alarmed at the way Mr Cordovez finally secured the Geneva

Ultimately, however the Soviet Union seems certain to continue its withdrawal, which remains the prime objective. Mr Cordovez, who has never enjoyed the confidence of the mujahideen, has appoint a new team to try to mally meet a member of Mr Perez de Cuellar's office in New York this week - which would be a

situation is not all bleak and certainly not as dire as the Soviet Union is claiming. All parties could best serve the interests of the battered Afghan people, who dasarve to have priority, by patient restraint at this delicate

Nick Garnett explains the fall of Aveling Barford and why the construction machinery company can expect to find a buyer

Down but not out

AVELING BARFORD, one of the great British names in construction machinery, gave a briefing at the Savoy Hotel, London in May last year to explain how it had got into trouble. The company had sold huge quantities of carth moving conferent such as earth-moving equipment such as dump trucks and graders in the 1960s and 1970s. Now, however, it had stumbled into a quagmire. The message, at the Savoy a year ago, was that it knew how to dig itself out.

That effort failed - a failure signalled yesterday by the decision to call in the receiver. After a loss of £3m on sales of about £30m in 1986 and another loss last year, Aveling's bankers decided enough was enough.

Aveling's fall, after more than

a 100 years of manufacturing his-tory, is a classic example of how feeble investment and the failure to keep pace with tremendous shifts in product and marketing can overwhelm a business that once had all the skills to be a survivor. It is also the latest in a series of dramatic realignments within the British earth-moving machinery industry in which

manufacturers in the UK.

While this has been going on, acquisitive companies like the Brown Group, BM and DJB have been expanding rapidly. Japanese companies, led by Komatsu, have ing was sold to Mr K. T. Lee, a emerged on the UK manufacturing scene, using joint ventures through a Hong Kong-based com-and direct manufacturing. About pany, with a minority share held 10 UK machinery companies have by Mr Adrien Eschallier, a US

the Canadian Varity group and the mobile crane maker Grovethe mobile crane maker GroveColes – have maintained their powerful positions.

Instability at the top might not have mattered had it not been for the fact that the world construction market has been in convul-

that they wanted to sell the busi-smarted by new products and ness as a going concern. It is vir- sharper companies.
tually certain that it will find a Aveling's strength has been in have already shown interest. graders used for grading road soil Aveling has too many good before tarring, wheeled loaders things about it to be overlooked. and fairly unsophisticated equip-Amongst others, a buyer from ment for compacting surfaces. Its Japan (or Korea's Daewoo) might main sphere of influence has been the UK market and the old

first steam-powered road roller in 1867. Since then, it has endured many changes of fortune. But the demand slumped and the buge rest of the industry attributes the start of its fall to the period when it was part of the former BL Special Products group in the 1970s.

BL played a hand in nearly wrecking many of the companies that group in the 1970s.

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BL played a hand in nearly wrecking many of the companies that plan to sell a fifth of size with a plan to sell a fifth of size with a plan to sell a fifth of size with a plan to sell a fifth of size with a plan to sell a fifth of size with a plan to sell a fifth of the weakness of the dollar the UK believe Britain still has a long and healthy future as a construction equipment maker. And receivers at Aveling already seem with a big Chinese contract with a plan to sell a fifth of the period when its output there.

The weakness of the dollar the UK believe Britain still has a long and healthy future as a construction equipment maker. And receivers at Aveling already seem confident that Mr Milken has opened the UK believe Britain still has a long and healthy future as a construction equipment maker. And receivers at Aveling already seem out the UK believe Britain still has a long and healthy future as a construction equipment where



At the same time, companies

such as Caterpillar and Komatsu

machinery industry in which many companies have slipped and shrunk while a host of new and aggressive businesses have been forcing their way in.

Ransomes and Rapier and Ruston Bucyrus in drag lines; Hymac in excavators; Barber Green in asphalt pavers — all have declined. And two big US names, Caterpillar and Terex, are no longer the forces they used to be as manufacturers in the UK.

British Leyland," says Mr David Phillips of the London-based Corporate Intelligence Group. "Aveling never recovered from thet management - it was so chronically had. Anyone would have succumbed and it is remarkable it kept on so long. No caterpillar and Terex, are no longer the forces they used to be as manufacturers in the UK. for five years. It has been doing

Singapore busines changed hands in the last two attorney-consultant. These two years alone.

Of the old order, only three - and have said the right things years alone.

Of the old order, only three –

JC Bamford, the world's second largest manufacturer of backhoe loaders, the MF Industrial arm of headquarters.

have owned the company since, and have said the right things but have not been seen regularly at the company's Grantham loaders, the MF Industrial arm of headquarters.

powerful positions.

Aveling's receivers yesterday sion since the turn of the decade. told the workforce of 800 (down Aveling slept while this was from close to 3,000 in the 1970s) going on and was gradually out-

buyer. A number of companies large rigid dump trucks, motor-

vehicle, a product area Aveling has only just been moving into. If Aveling is sold intact it will

hrought out high-speed, high-specification rigids which left some of Aveling's models looking outclassed. Meanwhile demand for graders – always vulnerable to volatile markets - slumped along with the big road projects. In compacting machinery, the traditional "deadweight" roller – Aveling's area of strength – has increasingly been replaced by rollers which vibrate. Aveling, stacking with deadweight sticking with deadweight machines, left the field open to specialised vibratory roller companies such as Dynapac of Sweden and West Germany's Bomag. Demand for wheeled loaders has risen markedly worldwide.
 But Aveling had given this low priority and its models were dated. It is just another case of a famous name losing its way and not being in the product areas that have volume and are profit-able," says one construction

machinery company manager.

Aveling had similar problems in distribution. "They relied too much on historical markets," says Mr Phillips. "Nowhere in Europe have they established dis-tribution systems for volume." In the past year, some changes

were starting to have an impact. Aveling recently signed a deal with Kawasaki of Japan to make health insurance to old age pensciences, which would cost only
around £25m in the first year.

This is easier to justify than sub
Nevertheless the eclipse of Commonwealth territories and it that company's modern wheeled traditionally made its living off loaders under licence. It introtemporary, is sad and instructive.

Nevertheless the eclipse of Commonwealth territories and it that company's modern wheeled traditionally made its living off loaders under licence. It introtemporary, is sad and instructive.

This is easier to justify than sub
needs of a consumerist society. 1933 of two companies, one of nated the construction market in the street steam-powered road roller in But the world has changed drants. It was attempting to build a distribution network in Europe. And it had

buoyant, persuaded the bank to

be yet another moving piece in faca of the UK construction machinery industry. As part of this change, BM - led by Mr Roger Shute - has acquired Benford Concrete Machinery. It follows the composition of the construction of the constructi lowed this with the acquisition of two companies owned by North-ern Engineering Industries – Haulamatic and Ritemixer – and recently acquired the marketing and manufacturing rights of Bar-ber Green from Aztec of the US. Another acquirer is the Brown Group, based in North Yorkshire. producer of the Moxy dump brouncer of the moxy uning truck. It has bought Hymac from BM, and acquired the Parker stone crushing machinery busi-ness in Leicester. It has signed mannfacturing deals with Komatsu and TCM of Japan and intends to open a new manufac-turing plant in South Yorkshire, Meanwhile, Mr David Brown of DJB has expanded from his Artix manufacturing company in Peter-lee. County Durham, which makes articulated dump trucks

lar's Glasgow factory closed last vear. (Cat still has a big opera-The firm and Mr Milken's huntion at Leicester.)

I come in in the morning sometime between 4.50 and five. I continue to the people in the department. I then direct administrative people to make phone calls for me and yet people on the phone. Sometime cround 10.45 and 11.15 they put some food on my desk which I cat in anywhere from one to five minutes. Sometime in the afternoon it's possible corporations would come in sible corporations would come in for meetings. When I'm exhausted, I go home and get ready for the

THIS IS the authentic voice of Michael Milken, the most brilliant, controversial - and ceriest - financier of our age. He was speaking to the Securities and Exchange Commission back in 1982 hut there is no reason to believe that today will begin or end any differently in Mr Milken's sealed trading room down at Wilshire and Rodeo in Beverly Hills. At times in the course of this spooky and riveting book, one senses the rituals of a California cult.

"Michael is the most important individual who has lived this contury," one of his traders told Con-nie Bruck. Another went further: "Someone like Mike comes along

once every 500 years."
Mike Milken is a vice-president
in the Beverly Hills office of the Wall Street firm of Drexel Burn-ham Lambert. While a student at Berkeley in the late 1960s, he spent his time studying low qual-ity corporate bonds. These bonds, now known as "junk", carry higher interest rates than the bonds of blue-chip companies to compensate for their higher risk of default. Mr Milkin found that a balanced portfolio of these bonds could minimise the default risk but still leave the higher return. the shake-up that is altering the He set about winning round pro-

feared firm on Wall Street and himself one of the world's richest men. Since 1935, when Ivan Boesky implicated him in various alleged schemes to conceal stock ownership. Mr Milken has been the target of the largest ever securities fraud investigation. The SEC says it bas prepared

civil charges against him.
Given this sort of material, Ms
Bruck's book was bound to be
controversial. Mr Fred Joseph. Drexel Burnham's chief executive, says it is riddled with hundreds of errors and accuses her of breaking a right-to-reply agree-ment. Ms Bruck, a reporter on the excellent magazine American Lawyer, counters by saying Mr Milken tried to pay her to stop publication. For all the fuss Drexel Burn-

makes articulated dump trucks ham is making, Ms Bruck pres-for Caterpillar. He has acquired ents no new evidence on the the former Bedford truck husi- Boesky-related investigation. Her ness from General Motors, and is embarrassing charge that Drexel also producing a new range of all-wheel drive vehicles.

Britain has declined as a force in the European construction machinery industry. Two of the biggest blows were the closure of two of Caterpillar's factories. Birtley in the north-east was closed in 1982 — it was subsequently in 1982 - it was subsequently ael Milken's strange world which taken over by Komatsu to make may very well be inaccurate but hydraulic excavators. Caterpilis far more believable than any

dreds of devoted followers con-



The Predators' Ball: The Junk Bond

Raiders and the Man

who Stalked Them By Connie Bruck

The American Lawyer Simon and Schuster, \$19.95

convicted felon and jesious Wall-Street rivals.

These defensive arguments receive full airing in the book. But Wall Street has always said thet Drexel Burnham, even Mr Joseph, simply does not know what Mr Milken gets up to in far-away Beverly Hills. Ms Bruck says, rightly, that he is such an important source of the firm's profits that he is only nominally a subordinate. She also says that he routinely ignored underwrit-These defensive arguments

a subordinate. She also says that he routinely ignored underwriting guidelines from New York. In the book, Mike Milken first appears as a lonely young man in an ill-fitting tounes, reading bond prospectuses on a dawn bus by the light of a miners' lamp strapped to his head. At the summit of his power before the Boesky guilty plea in 1996, he is a many with an all-prompassing. man with an all-encompassing memory. Unsleeping, dictatorial, obsessed with power and control. he operates a web of buyers and sellers from his trading room. Ms Bruck is surely right in say-

ing that Mr Milken unleashed such demand for junk yields that he was obliged to invent new bond issuers: first through leveraged buy-outs and then through financing corporate raids by a changing roster of businessmen. Mr Meshulam Riklis, a Milken client who made a cameo appearance in the Guinness affair, describes his banker as Dr Frankenstein. "They have to create these guys, otherwise their busi-ness stops," he told Ms Bruck. "I

call these guys the monsters."
Ms Bruck, who started work on
the book in the heyday of the junk bond takeover in 1986, is scurrilous about these "monsters": Peltz and May, two obscure New York businessmen in propelled by Mr Milken to the top of the US packaging industry, Mr Ronald Perelman "a crude Napoleonic type" who bought Revion and the complex, gifted and independent Carl Icahn.

Mr Michel Bergerac, the haughty and imperial chalman of Revion, says of meeting Mr Perelman and his bankers: "I'll never forget those 20 or 30 guys junk bond takeover in 1986, is

rereman and his bankers: 111 never forget those 20 or 30 guys coming off the elevators. All short, hald, with big cigars! It was incredible! If central casting had to produce 30 guys like that, they couldn't do it."

Ma Bruck ignores tions. She refers only fleetingly to the possibility that Mr Milk-en's empire of highly leveraged companies will collapse, taking with it the junk bond portfolios of insurance companies, thrifts, pension funds and other financial institutions. It is a tribute to Mike Milken's extraordinary grip on US financial markets that nobody talks much about this appalling but realistic prospect.

James Buchan

Japan looks to London

■ Japan returns to the sterling bond market today amid hopes that the Japanese use of the mar

25m in 1963 and is redeemable this year. in the old days, however, London was Japan's first place of call. The initial issue was for 21m in 1870. Between then Bank of England and the Tory and 1974 when the London Park Although Hay Davisor.

three separate issues. Intermit-tent borrowing continued thereafter, but petered out in 1930. Martin Gordon of Warburg

says that the Japanese have been studying the sterling bond mar-ket for about three years and ket for about three years and have recognised its maturity. By a series of currency swaps they should convert the loan into yen at a very favourable exchange of the Japanese equivalent of Permanent Under-Secretary at the Powelen Ministry translates

Shotaro Niyake, the newly arrived Minister (Financial) at the Japanese Embassy, says that he expects more issues to follow provided that sterling remains reasonably stable.

French connection

Top lycees
In Hay Davison says he is changing the name of his house to Dunregulating. Having sorted out tha Lloyd's insurance exchange and the Hong Kong Stock Exchange, the tall, bespectacled former accountant has accepted the chairmanship of CL-Alexanders Laing & Cruickshank, the London-based investment banking arm of Crédit Lyonnals.

Top lycees
The French are going through such soul-searching over the short collective soul-searching over the short of their education system that it has become the top policy priority for all political parties. The accounts of illiteracy and innumeracy at the bottom of the heap explain why.

At the top end, however, & Climent banking arm of Crédit Lyonnals.

The job will thrust him into the centre of City life, and the loss of the Concours Général, Charles de Gaulle in London thirsty."

Top lycées

Louis-le-Grand is particularly well known for its sciantific prowess; somewhat surprisingly, it failed to win a science prize and won only a third prize in maths; its only first prize was in Latin translation.

Runners up in the league table accompanied by a very nervous St Germain en Laya and the Lycée de la Chimie with eight mentions each. The French lycées abroad did well, too, with a total of 14 mentions. The Lycée dry, "said the girl. "I'm not really thirsty."

OBSERVER

French connection holds out interesting possibilities in the context of 1992. "London is the third largest

that the Japanese use of the market will pick up where it left off in the early years of this century.

The Japan Development Bank is raising £100m at 9½ per cent due in 1993. The issue is unconditionally and irrevocably guaranteed by Japan. Lead manager is S G Warburg Securities.

The last such issue was for £5m in 1963 and is redeemable.

"London is the third largest financial centre in the world, but the one with the highest proportion of international business. It's also number one in Europe." he said. "If we see a significant reduction in trade barriers to financial services, Crédit Lyonnais will be in the best position to take advantage.

and 1910 - when the Japanese party. Although Hay Davison went into French francs - they does not intend to involve himnever borrowed on any other self in City regulation, his experiinternational market.

The peak period was 1904-07 when Japan was seeking funds to finance the war with Russia. In 1905 alone it borrowed £85m in 1905 alon itself some questions in this area. Hay Davison will have to resign directorships at Midland Bank and Morgan Grenfell Asset Management to avoid conflicts. He remains a director of Mason Best, the Dallas investment bank.

the Foreign Ministry translates into English as "action duties next official". The British Embassy comes out as "hig man thing office".

Top lycées



or a week's annual time-share on Peter Clowes' yacht."

the national competitive examination open each year to the top two forms in the lyces. The con-cours was founded by the University of Paris in 1747, was extended to admit girl competi-tors in 1937, and private schools last year.
This year students from the

celebrated Lycée Louis-le-Grand in Paris headed the list by carrying off ten of the prizes and spe-cial mentions. The school was top of the list last year with a score of 12, the year before with 13, the year before that with 14, and the year before that with a record figure of 16 prizes or mentions. Louis-le-Grand is particularly well known for its sciantific

alona received three mentions, including a first prize for French composition.

Legend is wrong ■ The poor boy known as Dick Whittington who is suposed to have come to London with a cat to seek fame and fortune and became Lord Mayor was actually the son of Sir William Whittington of Pauntley in Gloucester-shire. He was very rich, loaned money to Henry IV and Henry V. was in charge of the financing of the completion of Westminster Abbey and rebuilt Newgate

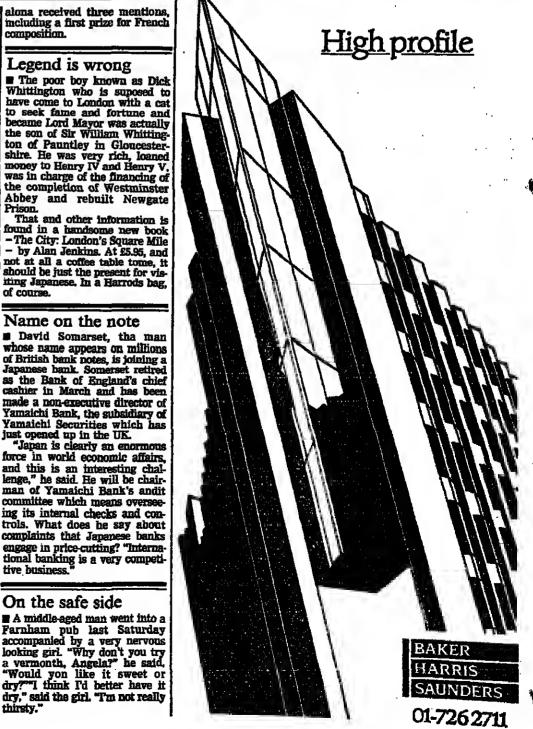
Prison.
That and other information is found in a handsome new book

-The City: London's Square Mile

by Alan Jenkins. At £5.95, and not at all a coffee table tome, it should be just the present for vis-iting Japanese. In a Harrods bag, of course.

Name on the note ■ David Somarset, tha man whose name appears on militions of British bank notes, is joining a Japanese hank. Somerset retired as the Bank of England's chief cashier in March and has been

Yamaichi Bank, the subsidiary of Yamaichi Securities which has just opened up in the UK. "Japan is clearly an enormous force in world economic affairs, and this is an interesting chal-lenge," he said. He will be chairman of Yamaichi Bank's andit committee which means overseeing its internal checks and con-trols. What does he say about complaints that Japanese banks engage in price-cutting? "Interna-tional banking is a very competi-tive business."



ها كدا من اللكل

WHENEVER a citizen of the UK visited other countries in Western Europe during the 1960s and 1970s he would be asked — with a solicitude that barely concealed the pleasure — why the UK economy was performing so poorly. The resulting resentment over the UK's relative failure was one reason for the widespread acceptance of the revolution in economic policy labelled "Thatcherism".

It is hardly suturising there 1970s he would be asked - with a

Thursday June 1

between 1960 and 1987. He shows that between 1963 and 1973 the UK's 2.9 per cent growth of GDP per head left it behind all hut the DS. Between 1931 and 1987, however, precisely the same performance of the UK common process and relative to its own performance pushed the UK into second place, only a fraction behind Japan. The growth of the UK in the 1960s and early 1970s was viewed as dismal at the time. If there is a miracle to be found in these numbers, therefore, it is a

non-manufacturing (excluding but only Japan and the US, of the public services and oil and gas), major countries, had faster hourly growth of total factor prohead has been significantly lower ductivity in manufacturing after than in the period before 1973, 1979. giving an estimated overall growth of output per head of only
2.1 per cent. Again, the striking
feature is the deterioration of the
what out of date and the periods

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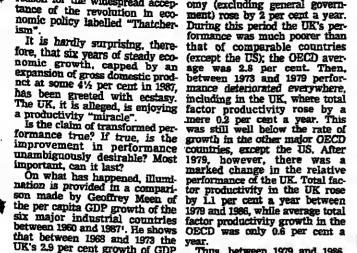
Sames But

ab profile

capital and labour, and by the John Mnellbauer of Nuffield Colefficiency with which they are lege, Oxford, the pioneer of used (the latter being labelled recent work on productivity in "total factor productivity"). Total UK manufacturing, estimated factor productivity is probably total factor productivity growth the best single indicator of the since the third quarter of 1980 at growth of efficiency in an economy. Two OECD economists have provided a comparative analysis quarter of 1959 to the same quarter of OECD countries since 1959 to the same quarter of 1972 had been only 2.63 per of OECD countries since 1959 to the same quarter of 1972 had been only 2.63 per of OECD countries since 1959 to the same quarter of 1972 had been only 2.63 per or of 1972 of OECD countries since 1960 cent3

ECONOMIC VIEWPOINT: Martin Wolf

Is there a British miracle?



there is a miracle to be found in these numbers, therefore, it is a negative one: other countries have lost the secret of rapid growth.

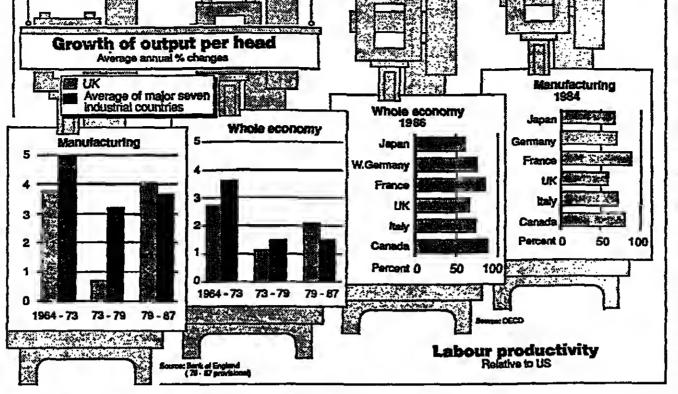
In considering the change in UK performance since the 1970s, the focus has to be on productive ity. The chart shows that in the period between 1979 and 1987 output per head in UK manufacturing rose at 2.3 per cent a year. This is below the 3.3 per cent a year. This is below the 3.3 per cent a nanual growth rate as between 1964 and 1973. In non-manufacturing (excluding)

While the OECD study properformance of the other major chosen arbitrary. Analyses of the countries.

Economic growth is determined by that of the underlying primary factors of production, primary factors of production, labeled the countries of the countries of production.

Expital factors of production, labeled factors of production, labeled factors of production.

While total factor productivity Their analysis shows that growth is, in theory, the best between 1960 and 1973, total fac- aggregate measure of productive for productivity in the UK econity, it is subject to a statistical growth in services, using



- REFERENCES

health warning, the main probnational accounts data, at 3.7 per May 1988. Professor McWilliams lem being measurement of the cent a year for the period "guestimates" that productivity capital stock. For this reason, beteen 1980 and 1986 (allowing in the UK popular debate has largely for part-time working). More rising st focused on labour productivity. A interesting, because hased on the 1980s. recently-published study hy
Revin Boakes of Greenwell Montagu, for example, concluded that
labour productivity in British
manufacturing rose at 4.9 per
cent a year between 1982 and
1867. These figures are consistent with estimates, based on Muelibaner's methodology, hy Peter Spencer of Crédit Suisse

ing from the third quarter of 1990 to the end of 1986 was 4.8 per The intriguing puzzle is services. The performance of mann-facturing productivity may well be better than before, but the reverse has apparently been true for non-manufacturing business, where growth of labour produc tivity between 1979 and 1987 has apparently been 1.8 per cent a

First Boston, that labour produc-tivity growth in UK manufactur-

ar, well below the rate in the Recently, the Liverpool

. Geoffrey Meen, "International

Economic Performance", Oxford

1988, pp. xxli-xll.

Mittelstädt, "Total Factor

structural Aspects of the

Slowdown", OECD Economic

3. John Muellbauer, "The

Assessment Productivity and

Manufacturing", Oxford Review

of Economic Policy, Autumn 1986,

Comparisons of the UK's Long-Run

Review of Economic Policy, Spring

2. A. Steven Englander and Axel

Productivity: Macroeconomic and

Studies, Spring 1988, forthcoming.

"guestimates" that productivity in the UK service sector has been rising st 3% per cent a year in

4. Kevin Boakes, "Britain's Productivity Miracie: More to Come", Greenwell Montagu, May

5. Peter Spencer, "Britain's Productivity Renaissance", Crédit Suisse First Boston, June 1987. 6, Liverpool Research Group In Macroeconomics, Quarterty Economic Bulletin, June 1988, p.13.

7. Douglas McWilliams, "The naissance of British Management", Inaugural lecturs at Kingston Business School, 1988.

8. Bill Martin, Economic Briefing, UK Section Number 172, Phillips and Drew, June 1988.

than currently estimated, at 4 per cent a year. The implication would be, however, that the national accounts underestimate the effects of structural change in the UK economy, especially in services, an implication that the statisticians themselves would

surely deny.

Professor McWilliams also suggests that estimates of productivity growth in the information technology industry are too low. This adjustment alone would add 4 per cent a year to GDP growth. Added to the adjustment for services, overall GDP growth since 1980 would then be at least 14 per cent a year higher than now estimated, at close to 4% per cent. (It is worth noting in support that a study by Bill Martin of Phillips and Drew, to be pub-lished shortly, concludes that the

must be treated with caution. First, the upward revision to pro-ductivity in services is itself

questionable. Secondly, the OECD study indicates that measured prodoctivity performance has been poor in the service sec-tors of all industrial countries in the 1980s. If appropriate for the UK, upward revisions are proba-hly also appropriate in other OECD countries, though Professor McWilliams insists not to the

It seems churlish to ask whether the improved productiv-ity performance is desirable. Yet higher labour productivity that coincides with higher unemployment is prima face quite undesirable. The OECD study shows that between 1979 and 1986 the employed labour force in the UK fell at a rate of u.6 per cent a year, while the capital stock success has consisted or respectively. Success has consisted or respectively. The widespread undercomployment characteristic of the uk fell at a rate of 0.6 per cent a economy as a whole the substitution of capital for labour understandable concern, there
occounted for almost half of the
fore, about the still quite modest total labour productivity growth of 1.9 per cent. Something is capital and, still more, in human wrong when capital replaces labour, while the employed What conclusions can be

The study by Peter Spencer showed that between the third quarter of 1980 and the end of 1986 the replacement of labour by lier periods as well, though the capital in UK manufacturing accounted for more than a third of the total labour productivity Secondly, performance in ser-growth in that period. The substi-vices may be better than now tution of scarce capital for ahun- estimated, in which case producdant labour wos, no doubt, a tivity growth in services would reflection of the failure of the not merely be better than in the real cost of labour to respond to 1970s, but at least as large as in changing market conditions. the 1960s. Thirdly, the productiv-What is clear, however, is that a ity performance of the economy. part of the productivity growth as a whole has unquestionably in manufacturing is not a symp-improved relative to that of the tom of what is right with the 1970s and of the country's peers economy but of what continues

to be wrong. Can the improvement last? In his discussion of productivity change in UK manufacturing, performance of other industrial Mnellbauer considers five explanetory hypotheses: • Improvements in industrial

• The shedding of below aver-

after the 1979-81 recession.

The first two explanations, it should be noted, would imply a permanent improvement in the underlying rate of productivity growth. There can be little doubt that there hove, indeed, been long-lasting changes for the bet-

ter in UK manufacturing.

Moreover, there remain substantial gaps between productiv-ity in the UK and the other major countries, especially in manufac-turing. If labour productivity in UK manufacturing were to rise more rapidly than in Germany by 2 per cent a year on a sustained basis, it would still take almost

teo years to calch up.
The potential for further rapid growth in productivity is indicated by the large productivity gap between the UK and other countries, but the existence of the gap does not mean it will be closed. There are worrying signs that the constant is appropriate that the constant is appropriate that the constant is appropriate to the constant in the constant in the constant is appropriate to the constant in the constant in the constant in the constant is appropriate to the constant in the constant that the economy is approaching a cyclical peak, with severe infla-tionary pressure and a deteriorat-ing current account. It needs to be remembered that much of the skills.
What conclusions can be

labour force shrinks and unem-ployment soars.

The study by Peter Spencer 1980s has improved not merely in comparions to the UK's peers and the 1970s, but compared with earmargin over performance in the 1960s and early 1970s is not large. 1970s and of the country's peers.
It may have improved relative

to the 1960s and early 1970s as well. Finally, in keep delight in bounds, the deterioration of the countries by comparison with the 1960s has been a much more important reason for the UK's relations; relative success than improvements in the UK's own performance. mance since then.

What appears to matter most age productivity labour (some-times called the 'batting average' performance, which may turn out hypothesis); and 1987 will probably turn out to be close to 4 per cent a year (excluding off), after revision, as against the present official estimate of 3.3 per cent.)

Nevertheless, the optimistic conclusions drawn on services must be treated with caution. date, just as it overestimated it ration in relative performance before then):

• increased labour utilisation yet more jeremiads on the "British discase".

The Japanese in Wales

From Mr Jonathan Morris.

Sir. Your front page article, "Welsh question the value of Jap-anese investment" (June 13), summarised a recent article of mine. While the overall tone of your reporting was fairly bal-anced, I would like to add a few more comments to place the report in perspective.

The article was not a criticism of Japanese companies in Wales as such. Rather it was an indictment of a policy which places such investment as a cornerstone of its regeneration programme, which seeks such publicity from this investment and which uses its "success" to legitimise the run down of the public sector, nota-

bly through coal closures.
Second, many of the features ascribed to these companies would also apply to other foreign – and in some cases Welsh –

Third, these Japanese compa-nies differ greatly. Sony, for example, has proved itself far more committed to the regional economy than certain other Finally, there are a great many

positive aspects to this invest-ment over and above those which yon list: notably in the area of production organisation (with particular emphasis on quality); in Japanese relations with their suppliers; and in their personnel and some of their industrial relations practices.

Jonathan Morris Cardiff Business School, TWIST. oay Buildino Colum Drive. Cardiff. Wales

From Mr R.H. Ranson

Letters to the Editor

Academics may need assurances

should research.

There are several powerful of their illustrious predecessors arguments against the use of this is to hope for the impossible. Ruben Lee, for selecting what research ought to be undertaken. Most importantly, "relevance" may just be able to follow the paths of some of their illustrious predecessors is to hope for the impossible. Ruben Lee, City University Business School, Frobisher Crescent, Burbican Centre, EC2

From Mr Ruben Lee.

Sir, Many of the assumptions would recognise the work of the behind Michael Prowse's article current day Spinozas and Witton the future of education (June gensteins as being "relevant" is made a province of the current day of the current da on the future of education (June 13) need questioning.

First, the answer to his rhetorical question, "Can any employee of the state. . . seriously expect to be free?" is: yes. They must and do insist on their freedom. Academics, whose job in many instances is to question the state tus quo, may need extra assurances.

Second, Mr Prowse implicitly states that research should have "relevance beyond the campus."

Although he does not directly states that research should have "relevance beyond the campus."

Although he does not directly activities." It is boringly true is gensteins as being "relevant" is unclear. Even if Mr Prowse's relevance as the valid the option and the volatility and option value, such as the life option value, such as the life option value, such as the life option value, such as the valid the option and the volatility and option value, such as the life option and the volatility the option and the volatility and option and the volatil

"relevance beyond the campus." Although he does not directly activities." It is boringly true that research takes a great deal the market should decide, through a loan scheme, what the universities should teach and thus indirectly with the costs – but rather that to the costs – but rather that to say it is expensive. thus, indirectly, what they expect more than a tiny few to be should research.

There are several powerful arguments against the use of this form of "relevance" as a criterion for selecting what research ought to be undertaken. Most importantly, "relevance" may just be Easter On the Eye

From Mr J.D. Sutherland.

When John Lloyd asks why people read the Sun (June 11), perhaps he should also ask why people read the Financial Times.

FT readers look first at the chief London price changes on the back page; second, the price J. D. Sutherland.

Is to hope for the impossible. Rosemary is an ancient cure for heads inside and out. For those with thinning hair, the best remedy is probably stinging nettles. They are easily available and, as Culpeper said, "can be found in the dark." A solution of witch hazel with nettles soaked in it for a few days, rubbed into the head, will work wonders. (This will cost 50 pence — slightly cheaper than £13 per jar.) Other herbs are southernwood, yarrow, or — for those with at read right through — and it contains a spot of malicious gossip, plants — sage (for dark hair) or chamonile (for fair hair).

J. Barnbrook, chief London price changes on which few can resist the back page; second, the price J. D. Sutherland, of their shares; third, the stock 41 Westella Way, exchange report; fourth, letters.

They only glance at the rest of Hull, Yorkshire

Tradition put down

From Mr Barry Marshall, Sir, As not every convertible has a put (Letters, June 15), it is

more important that generally the company will have sold the call option (the basic right to convert) to the investor too cheaply.
"Traditional" valuation models
ignore basic determinants of option value, such as the life of the option and the volatility of

Although I have no direct interest, I read Peter Marsh's article on the rum recipe for bald Japanese (June 8) with astonish

I am sure that in fact it is bay rum. This is a very old hair conditioner, and can certainly be bought for less than £I in most chemists.

Rosemary is an ancient cure

J. Barnbrook 16 Chestnut Drive,

Marton, Middlesborough, Yorkshire

The Victor Alternative



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runs at a fast 16MHz with 1MB main memory and 30MB or 60MB capacity - instantly and infinitely upgradeable with 30MB Add-Paks.

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"free assets" which are being used to measure strength, and advantageous to leave surplus advantageous to leave surplus implies that, to the extent earn-ings were not consolidated by unconsolidated for ultimate payment as terminal bonus, thereby implies that to the extent earn-ings were not consolidated by unconsolidated for ultimate payment as terminal bonus, thereby giving increased investment free balance should be paid out on maturity — that is, as terminal bonus ter longer term interests of policy bonus. Perhaps what an individual should be looking for, besides adequate strength, is consistency of an office's results over the fund and, to some extent, then be able to detect the incon-

This has little to do with the shared among the members of types of contracts. One might relative size of the "free assets" the fund and, to some extent; then be able to detect the inconstant of the consolidation of time. As wa see it, that is the make enquiries, because inconsistency ought to indicate a change those assets into reversionary bonus in current investment conditions.

This has little to do with the shared among the members of types of contracts. One might then be able to detect the inconsistency and could then make enquiries, because inconsistency ought to indicate a change of bonus in current investment conditions. Consolidation of surplus into performance of the fund while he The Equitable Life Assurance

Financial strength is not the only problem for intermediaries

Sir, Mr Anderton comments (Juns 8) that the bonus philosophy of various life companies is a grey area, and a problem added to that of financial strength for intermediaries. The two are not separate issues, but inextricably The so called "free assets" of a

with profits offics (that is, broadly, the excess of market value of assets over liabilities) measures (again in very broad terms) tha overall earnings, through capital and income, on the with profits contracts which have not yet been credited to the existing policy holders by way of reversionary bonuses

I prefer to think in terms of "consolidated" and "unconsoli"consolidated" and "unconsoli"consolidated" and "unconsoli"dated surplus." It is the latter the policy holder a guarantee, into account the particular feawhich forms most of the so-called can lead to constraints on investtures of tha contract). This Aylesbury, Buckinghamshire

FINANCIAL TIMES

Thursday June 16 1988

Balfour Beatty

for Refurbishment 0932-231055

THE BEHAVIOUR OF ENGLISH ROWDIES IN GERMANY THIS WEEK HAS PUT PRESSURE FOR ACTION ON UK MINISTERS

Thatcher plans crackdown on the football hooligans

BY CHARLES HODGSON IN LONDON

the introduction of a compulsory national membership card scheme, will be considered today

The talks, which follow wide-spread violence by English and other fans at the European foot-ball championships in West Ger-many, come amid signs that the

ters are expected to hroaden their stiles and would discourage

lence in West Germany, said yes-terday that a tough new package of measures was now needed. Mr of measures was now needed. Mr Douglas Hurd, the Home Secre-tary, will also attend along with Sir Geoffrey Howe, the Foreign Secretary, and Mr Nicholas Rid-ley, the Environment Secretary. "There is no doubt that we

have got to sit down and put together s tough package of mea-sures. That means tough sentencing outside the ground, a tough est violence. Ministers recognise line taken by policing authorities that clubs have had more success

ing to deter other people," Mr Moynihan said.

Mrs Thatcher feels strongly at a Downing Street meeting that the English Football Associ-chaired by Mrs Margaret ation should look again at introd-Thatcher, the UK Prime Minister. ncing a national membership scheme, which would exclude non-card bolders from matches. spread violence by English and other fans at the European football championships in West Germany, come amid signs that the UK government is set to step up pressure on the football authorities to take firmer action.

Although the talks will focus on football hooliganism, ministers are expected to hypodemic their stiles and would discourage.

discussion to include steps to casual spectators.

combat street violence generally.

Mr Colin Moynihan, the Minister for Sport, who will report to the Prime Minister on the viotoput 50 per cent of their supporters on to a membership scheme. According to a report prepared by Mr Moynihan for the European football union (UEFA), only 16 of the 92 league clubs in England and Wales have reached the 50 per cent target. Nearly half have achieved only between 30

and 40 per cent.

It is clear that the government intends to put far greater pressure on the FA following the lat-

TOUGH NEW measures to curb to make sure these hooligans are in implementing other recomplewell, including the installation of close circuit television cametas and more seating, segregating rival fans, and banning the sale of alcohol at grounds.

But while this has reduced vio-

lence during matches, it has done little to curb trouble outside grounds and at games abroad.

grounds and at games abroad.

The meeting is expected to consider ways of strengthening cooperation between police and immigration officials in Europe, in exchanging intelligence and joint planning in advance of international matches. But Downing Street officials ruled out suggestions by one Tory member of parliament that passports of known hooligans should be with-

held.

The government was urged to recognise that the problem of violence extended beyond football. Mr Tom Pendry, the Lahour Party MP who chairs the allparty hackbench committee on football, said yesterday: "This has nothing to do with football."

Mr Hurd telephoned his West German counterpart yesterday to express his "concern and disexpress his "concern and dis-tress" at the violence in Düssel-dorf on Monday night. He regret-ted the strain put on the German police and public



An English football fan in Düsseldorf yesterday

Honecker declines to follow Gorbachev

Clowes arrested 'on suspicion of fraud'

BY LESLIE COLITT IN EAST BERLIN



Honecker: horses for courses

BY OUR FINANCIAL AND FOREIGN STAFF

and would be appearing before said.

Guildhall magistrates in the City Off

of Londontoday.
Until last week, Mr Clowes -

in his mid-forties · was the chair-

man and chief executive of James

Ferguson Holdings, the stock market quoted group which owned his Barlow Clowes fund

management companies.
His empire crashed in ruins

last Wednesday, when he was

forced to resign from Ferguson. His resignation came amid the

(BCI) was insolvent with liabili-

ties of £138m (\$248m) to 11,000 though'

MR PETER CLOWES, the mil- ment securities.

lionaire fund manager at the On Monday night, it emerged heart of the Barlow Clowes affair, that BCI had only £16m in ready

was last night being questioned assets and £37m was totally unachy police in London after being counted for, according to Cork seized by fraud squad detectives Gully and Ernst & Whinney, the in a dramatic breakfast-time two London accountancy firms

His solicitor, Mr Charles Buckley, said Mr Clowes had been lent out on doubtful arrested near his Cheshire bome on suspicion of fraud offences.

His resignation came amid the by the events, said the manner of revelation that Glbraltar-based his arrest was disgraceful. She Barlow Clowes International told reporters: "Peter acted with GRT) was insolvent with liability of the dismits.

that he should adopt the eco-nomic and political reforms of Mr Mikhail Gorbachev in the Soviet

Mr Honecker recalled that in 1945 the German communists issued an appeal saying they did not want the Soviet system "transferred" to Germany. "Pres-ent developments in the Soviet Union have arisen from Soviet needs," he said. The East German leader's dis-

Officers from the Serious

Fraud Office arrested Mr Clowes at 9.10 am yesterday in the peace-

ful village of Prestbury. Detec-

tives were later seen removing hundles of documents from the

boot of a new red Mercedes lim-

ousine parked outside Mr

Clowes's home, a £350,000

His wife, Pamela Clowes, who

described herself as devastated

great dignity all the way

detached bouse.

EAST GERMANY'S conservative Germany, especially in the econthe previously proven way," leader, Mr Erich Honecker, has omy, and suggested that this which consisted of stable prices flatly rejected all suggestions anomaly could not last indefine for basic necessities and rents. nitely. Only last weekend the East German Protestant Church

had been arrested "in connection

with inquiries into Barlow Clowes Gilt Managers." BCGM was a Cheshire-based Barlow

Clowes company which ran gilt funds until the Securities and Investments Board last month

ordered it to be wound up.
The criminal investigation of

the Barlow Clowes affair is being carried out by the Serious Fraud Office and the City of London Fraud Squad. It is being led by

Mr John Tate, head of the SFO's investigation department, and

Detective Superintendent Gra-ham Balchin, of the fraud squad.

did
em
di

missive remarks came in an interview with Austrian journalists published yesterday in the East German party newspaper, Neues Deutschland.

Soviet officials have criticised the absence of reforms in East the ach country it is carried out in an entirely different manhalt thinking people as socio-economic and that he had heen under arrest hy Adolf Hitler's SS body.

The 75-year-old leader said he supported this policy but that "in dissenters," he said. "You must allow me to make a distinction between normal thinking people and dissenters."

in a related development yes

terday Mr David Mitchell, a

Geneva-based chartered accoun

tant with past business links to Mr Clowes, denied personally receiving 22m from BCI, as had

been alleged by Cork Gully and Ernst & Whinney. "I was not aware that any funds that had been passed through to me or to

the companies with which I have

contacts were other than funds owned by Mr Clowes personally

or discretionary funds at his dis-

He confirmed, however, that h

was a director of Chateau d'Au

posal," he said.

President Ronald Reagan singled out the plant-closing provision as a major reason for veto-ing the original Trade Bill. Last

However, Congressional Democrats and Republicans, as well as the Administration, have

Among its chief provisions, the

Mr Wright said he would remove the other controversial feature of the original bill, a pro-

While Mr Wright's comments ensure that the House will pass the newly winnowed bill, passage in the Senate is less certain. Its chief sponsor, Senator Lloyd Bentsen of Texas, has frequently pointed out that Senate rules make it far more difficult to shot

The advantage of Mr Wright's manoeuvre is that it revives the Trads Bill while retaining the plant-closing legislation as a separate political issue. Democrats believe it is a popular measure which will sttract support in the November general election.

September, providing the politi-cal issues such as plant-closing were stripped out of the legisla-

US Trade Bill gains new lease of life

in Washington

THE US Trade Bill gained a new lease of life yesterday when House Democrats announced they would revive the measure without its controversial plantclosing provision.

Mr Jim Wright, Speaker of the House of Representatives, said he would soon offer a separate bill requiring employers to notify plant closings or massive lay-offs, and then resurrect the Trade Bill.

week, the US Senate failed to gain the two-thirds majority needed to override the presiden-

expressed willingness to revive the bill, which has taken more than three years to prepare.

bill requires the Administration to identify unfair trade practices and countries which back them, and calls for negotiations aimed at removing the unfair practices under threat of sanctions. Special emphasis is placed on countries with large trade surpluses.

vision limiting Alaska's ability to export refined petroleum prod-

off debate on legislation and organise a quick vote.

Last week, the Senate Minority leader, Mr Robert Dole of Kansas, said it would be possible to get a trade bill before Labor Day in

investors who placed their After Mr Clowes was driven Mr Clowes's arrest came the ros, a vineyard near Bordeaux savings in what they believed to away, Mr Buckley said he had day after Lord Young, the Trade bought by Mr Clowes. Additional (ARC-INCOMP) After Mr Clowes was driven away at the ros, a vineyard near Bordeaux be portfolios of British govern told the fraud squad officers that and Industry Secretary, Auditors' warning, Page 9

Mr Clowes would co-operate announced that Sir Godfray Le fully. Mr Buckley said that Mr Quesne would lead an investiga-

Clowes had assured him that tion into the Government's role "there is no question that he has in the events leading up to the

acted dishonestly in any of his Barlow Clowes crash. Ironically, affairs." Asked how Mr Clowes as news of the arrest reached the felt about the arrest, Mr Buckley city of London it was emerging said: "He is totally relaxed about the matter."

Colored his fund management the matter."

Police released only the mini- companies for sale to two leading

mum of information about the unit trust groups, Gartmore and

circumstances leading to the Tyndall, but was swiftly rebuffed arrest, saying that Mr Clowes

Airbus proposals sought Continued from Page 1

"With McDonnell Douglas we are talking, with Lockbeed we are negotiating," said one Airhus

A deal between Airbus and Lockheed on the A220 would not rule out the possibility of eventual collaboration on other projects with McDonnell Donglas, though the search for an agree-ment would probably become less

Airbus Industrie began talking range.

World Weather

with McDonnell Douglas in an effort to mount a joint challenge

to Boeing's domination of the world airliner market and to defuse the political row with the US over government subsidies to the European consortium. However, agreement has proved elusive because neither aircraft maker has been prepared so far to cancel planned models which compete directly with the other's

Rockefellers' French link

were hit by the steel crisis and were stripped of their steel assats by the right-wing administration of former President Valery Giscard d'Estaing.

Baron Seillière has been one of the principal architects of the turnround in the Wendel family fortunes after the nationalisation of their Sacilor steel assets.

For both the Wendels and the Rockefellers, the association between the two industrial dynasties could not be more natural. The Rockefellers had for some time been considering investing in Europe and CGIP seemed a good place to

After all, as an executive of the French group indicated yesterday, the Bockefellers and the Wendels appear to share the same philosophy, the same long-term business views, the same business eth-ics and the same sort of family

US farmers fear for crops in drought

Continued from Page 1

too early to be getting excited about a drought." Grain-traders are looking for a sign the drought has really set in, he says.

This year's drought on top of a dry 1987 has left livestock ranchers in some parts of the country with little choice hut to send

in North Dakota, pasture is

tures prices. However, if farmers continue to slaughter cows early the usual slaughter-cycle.

two to three months earlier than liquidation usually begins in usual.

August as farmers get rid of their old cows before the winter. As Mr Seuter:

very nervous this week about the soaring prices.

"A \$9 soyabean price [per and cattle are not fattening as bushel] is scary, it doesn't get fast as usual.

This is depressing cattle-furyear."

This is depressing cattle-furyear."

because of a lack of feed, beef ing that the surge in grain prices prices could rise next year, when and an expected rise in mest these cattle will be missing from prices later this year will push up the US inflation rate. This fear ers in some parts of the country

Mr Tom Morgan, president of has been borne out hy a round of with little choice but to send

Sterling Research, a commodities price rises announced by foodsome older cows for slaughter analysis firm, explains. The cow processors in recent weeks.

This is likely to do little to improve farmers' fortunes, says THE LEX COLUMN

The SE rallies its troops

all is for the best in the best of possible worlds, to judge from its account of how the market is settling into post-crash life. Its latest Quality of Markets Quarterly contains further soothing evidence to show that US-style circuit breaking devices are not the right way to deal with another crash in the London market. While the conclusion is probably While the conclusion is probably correct, the suggested alternatives are not particularly confi-dence-inspiring. The new SAEF system for small bargains may be a good thing, ss may the increased monitoring of market makers' activities. But they seem a thin defence against another rapid and dramatic shift in prices, which the report itself oredicts will become the "nor-

predicts will become the hor-mal" way for large adjustments to take place.

On the subject of private inves-tors, the message is that member firms are investing beavily so as better to serve their clients, and are responding to changing con-ditions by becoming more specialised. And as if to reprimand those firms for whom specialisa-tion has recently meant telling their private clients to go else-where, the Exchange forecasts that in a few years' time private client husiness will be 50 per cent

higher.
Finally it demonstrates that talk of falling turnover is guff, all that has happened is that activity has shifted from equities to gilts, leaving the total unchanged. It brings the glad tidings that spreads have fallen back from the panic induced helghts of last November. If they are now stuck rather higher than a year ago, the argument is that market makers previously most have had an unrealistic idea of the risks involved. Despite all this, investors may wonder why spreads are some 30 per cent wider than in the bad old uncom-petitive days before Big Bang. Such an abundance of good news may not do much for morale among stockbrokers. The sight of glit turnover at record levels must be a matter of near indifference, as gilts generate

almost no commission at all. The account of life post-crash and post-Big Bang coming from the big City firms tells of costs doubling and commissions cut by half. In those circumstances, the instinct to keep spreads as wide as possible is scarcely surprising.

Pilkington

City institutions.

While it is possible to feel a certain sympathy for its views, it is clear that the dramatic profit recovery which underplaned its successful defeat of BTR has run its course, and the diversification into new high-technology businesses. nesses - to balance its mature glsss-making operations - is proving a costly and lengthy exercise. Its £368m acquisition of Revion's ophthalmic businesses last summer contributed a meagre £2m in the second half, and explains with the grounds as a summer contributed a meagre £2m in the second half, and explains why the group's earn-ings per share grew by only 7 per cent in 1987-88 and are unlikely cent in 1987-88 and are unlikely to grow any faster in the current year. This part of Pilkington's operations is being reorganised into a major worldwide force, but the benefits are unlikely to start showing through until the end of the current year, at the earliest. Fortunately, Pilkington's traditional glass business is booming

The Stock Exchange believes that almost no commission at all. The another £25m a year to profits, all is for the best in the best of account of life post-crash and But there are other companies But there are other companies selling on 7% times earnings which promise considerably fas-ter profit growth over the next

Mercantile House

The extraordinary saga of Mercantile House seems to be getting yet more tangled, if that were Pilkington is rather proud of the fact that despite a £25m hit on the exchange rate, it has similarly joined the select band of 25 UK companies which earn pre-tax profits of over £300m a year. But there is a danger that after its success in seeing off BTR last year, it is once again becoming rather complacent, and criticism that its performance is not living up to expectations tends to be shrugged aside. Along with companies like United Biscuits and Rowntree, Pilkington has little time for the short sighted investment priorities of some City institutions.

While it is possible to feel a House seems to be getting yet more tangled, if that were possible. After the lignominions collepse of Gary Klesch's attempt to acquire the money broking husiness, British & Commonwealth seems to be taking its time in finding an alternative buyer, despite the fact that it is bound to do so under the terms of its understanding with the Bank of England. Although talks are apparently in hand with several parties, none seem keen to emulate Mr Klesch in bldding for the companies like United Biscuits and Rowntree, Pilkington has little time for the short sighted investment priorities of some City institutions.

While it is possible to feel a House seems to be getting yet more tangled, if that were possible. After the ignominions collepse of Gary Klesch's attempt to acquire the money broking husiness, British & Commonwealth seems to be taking its time in finding an alternative buyer, despite the fact that it is bound to do so under the money broking the acquire the

obscure Qwinzy Company, a Hong Kong money broker which yesterday announced that it was considering an offer of £250m for the lot. Coming in the form of a press release, the announcement caused evident surprise at B & C. and also at the Paris-based money hroker Finacor - Conti-nental Europe's biggest - which for some weeks has been talking to Qwinzy with a view to taking

But then, the world of mone hroking is a curious one, As Qwinzy suggests, B & C would probably prefer to sell Mercantile to someone else within that world; a boyer from outside - a Japanese bank, say - might purthe benefits are unlikely to start showing through until the end of the current year, at the earliest. Fortunately, Pilkington's traditional glass business is booming and substantial price increases have been pushed through in a year when European glass denand is expected to grow by 6 per cent, Meanwhile, by merely raising margins on its North American glass business to European levels, it could easily add sue a policy of ungentlemanly

NEWS REVIEW

BUSINESS

£250m and US \$250m **Commercial Paper** Programmes for Ferranti International

New Commercial Paper Programmes have been arranged by Ferranti International Signal plc to replace the existing programmes of Ferranti plc and ISC Investments, B.V.

£250,000,000 **Sterling Commercial** Paper Programme

> Barclays de Zoete Wedd Limited Baring Brothers & Co., Limited County KetWest Limited

US \$250,000,000 **Euro Commercial** Paper Programme

Bank of America International Limited Chase Investment Sank Limited First Chicago Limited Security Pacific Hoars Govett Limited

> Co-ordinated by Baring Brothers & Co., Limited Issue and Paying Agent

Hational Westminster Bank PLC

June 1988

This announcement appears as a matter of record only. FINANCIAL

Medium Term borrowing facilities for Ferranti International Signal plc have been signed on 9 June 1988, restructuring previous facilities for Ferranti plc and International Signal & Control Group PLC.

£250 million Multiple **Option Facility**

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FERRANTI INTERNATIONAL

selling technology

Ferranti International Signal pic— the merger of Ferranti pic and International Signal & Control Group PLC.

INTERNATIONAL APPOINTMENTS

World Teleport post for BT International chief

BRITISH Telecom International as the World Cup, Live-Aid and included SatStream, British Tele-Inc. president Mr Michael L. Ford the Royal Wedding," commented has been elected vice president Mr Annunziata.

Mr Annunziata. and secretary of the board of directors of the World Teleport Association (WTA), announced WTA president Mr Robert Annunziata in New York.

WTA was founded in 1984 to eddress the growing need for international co-operation in the condition of the challenges facing our industry today, as new tests. with was founded in 1984 to eddress the growing need for international co-operation in the field of global telecommunications. It is a non-profit professional association representing teleports throughout the world. The 23-member hoard is composed of executives from member teleports and affiliates. and the second s

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Catena (7 8 B L teleports and affiliates.

"Michael Ford is well known for introducing the world to such

toric broadcast transmissions

our industry today, as new tech-nologies and economic globalisa-tion create increased demands for international telecommunica-

Mr Ford was previously chief executive of BTI's International

expansion to provide other speci-alised business services.

His career with the Post Office began in the UK in 1969 after retiring as a Rnyal Artillery major. After holding a series of service and marketing posts in the international communica-Business Services, a role he assumed in 1982, having responsitional business telecommunications from the UK. These as Tregional board chairman.

Amax helmsman also assumes vacant chairmanship role

this and the chief executive posi-Amax had e long period of poor 'tion hut remained a director. financial performance, but is now in a much healthier state after

financial performance, but is now in a much healthier state after chief executive in January, 1986. extensive restructuring which He had been president and chief

THE BOARD of directors of Amax, the large US natural resources group, has elected Mr Allen Born, who is already president and chief executive officer, to assume the additional role of Chairman was last who retired in early 1986 from Columbia to be president and the chief executive roll in the chief executive He originally spent 1S years with Amax, before leaving as president of Amax of Canada and of Climax Molybdenum of British Columbia to be president and chief executive of Placer in 1981, and chairman in 1983.

Mr Born serves nn the board of directors and the executive committee of the American Mining hegan in 1985. The company's operating officer since June, 1985, Congress and is a director of the principal products are aluminum, when he rejoined Amax from Mineral Information Institute.

Change of leadership at Dai-Ichi Kangyo

THE JAPANESE Dal-Ichi Kan-gyo Bank (DKB), the world's largest bank in terms of assets, and also earnings when securi-ties sales are included, has announced a change of leader-

ship.

The post of president is to be filled by Mr Kuniji Miyazaki, 68, currently senior vice president who will succeed Mr Nnbuya Hagura, while Mr Ichiro Nakamura, a vice president aged 62, will replace Mr Tetsuo Fujimori as chairman. Mr Hagura and Mr Fujimori will become directors and advisers.

The appointments will be

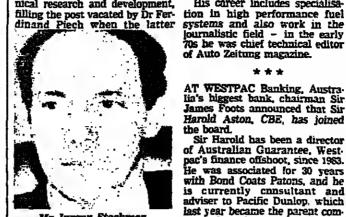
The appointments will be confirmed formally at a directors' meeting to be held after a shareholders' annual meeting scheduled for June 29.

Mr Miyazaki, 9 graduate of Kyushn University, became senior managing director at DKB in 1984 and senior vice president in June last year. resident in June last year. DEB, taking into account the securities sales, went top of the world's bank earnings league in the year ended March, 1988, the first time since Dai-Ichi Bank and Nihon Kangyo Bank merged in 1971.

US investment banking and hrokerage concern Bear Stearns appointed Mr David M. Setchim a managing director.

Previous chairman of Steyr-Daimler returns to Audi fold

the member of the board for tech-nical research and development,



took over as chairman this Janu-ary from Mr Wolfgang Hahbel. The appointment of Mr Stock-mar, 46, is something of a homecoming, since he last worked for Audi in the 1970s as head of the chassis tuning department at ingolstadt. His responsibilities were later widened to include four wheel drive development

and the Audi motorsport depart-ment, where he developed com-petitive racing and rally versions

MR JURGEN Stockmar has of the Audi 80 and Audi Quattro. rejoined Audi AG, the up-market Since 1981, Mr Stockmar has West German car producer which worked with all-wheel drive speis part of the Volkswagen group. cialists Steyr-Daimler-Puch in From June 1, he has become Austria, as head of development and later as company chairman. His career includes specialisa-

of Auto Zeitung magazine.

AT WESTPAC Banking, Austra-lia's higgest bank, chairman Sir James Foots announced that Sir Harold Aston, CBE, has joined the heard

Sir Harold has been a director of Australian Guarantee, Westpac's finance offshoot, since 1983. He was associated for 30 years with Bond Coats Patons, and he is currently consultant and adviser to Pacific Dunlop, which last year became the parent company of Bond Coats Patons.

A past president of the Confederation of Australian industry and the Textile Council of Australia, Sir Harold also had wide experience in industry associations and bodies, and was a mem-ber of the Australia-Japan Business Co-operation Committee from 1980 to 1987.

He is chairman of Downards Pickfords Proprietary and deputy chairman of Manufacturers

COMPUTER AUDITOR

£27,000 + banking bfts. leading UK merchant bank requires young computer auditors preferably with Big 8 experience. Working in a small, bigbly motivated learn you can expect considerable unusuals of special work in addition to occusional assignments in the Far East and States.

BUSINESS REVIEW

c£26,000 + bfts. A renowned group within media and communications seeks a young chartered accountant to work within a team engaged on usuriety of exciting commercial projects. The department's work will prepare entrants for a controllership or its equivalent within 18 months. Ref. DES 1002.

City

CORPORATE FINANCE to £25,608 + bfts.

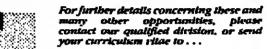
Several major merchant banks currently bare exciting opportunities for exceptional young chartered accountants. within corporate finance. An exemplary academic record, together with first time passes and a dynamic, outgoing ersonality are essential requirements for these challeng bigh-profile roles.

MANAGEMENT ACCOUNTANT

Highly profitable Pic is recruiting a cost accounts manager. Recently qualified accountant with manufacturing exposure, must possess the enthusiasm to succeed in this competitive environment. Responsibilities include forecast and hadget preparation, cost control and development of the management reporting structure.

FINANCIAL ANALYSIS

£24,000 + mtge sub. Prestigious financial services group bave a vacancy for a young qualified accountant in this rapidly expanding area of the business. Responsible for overseus markets you will monitor and report on performance and develop accounting and information procedures. Early apportunity given for career development



Accountancy Appointments

Chief Accountant A career development role

c£25,000 + car + benefits

A challenging opportunity has arisen within this successful and fast growing subsidiary group of a major internatlonal public company. Group turnover is in the region of £300 million.

Reporting to the Finance Director

this is a new position with responsibilities for the development of accounting systems and the production and Interpretation of key financial and other management Information. This is an excellent opportunity for a qualified accountant (ACA, ACCA, ACMA) looking for a pro-active role with direct input into the control and financial operations of a business. You should have at least two years' post qualification experience, and an appreciation of all aspects of financial and management accounting, analysis and interpretation. Equally important are the personal qualities to establish effective working relationships at all

Applications will be discussed directly with our client. Therefore please send a comprehensive CV quoting reference MCS/3008 together with notification of any organisation with whom your details should not be discussed to: Janet Stockton **Executive Selection Division**

Price Waterhouse **Management Consultants** No. 1 London Bridge

Price Waterhouse



COMPANY

SECRETARY

financial

Salary negotiable.

ACCOUNTANT/

Required immediately for

expending aviation company based in Battersea. You will be

responsible to the

Managing Director for all

aspects of the company's

administrative planning.

Send C.V. to: C. B. Group Ltd, Southampton House 200 York Road,

London SW11 ephone Carl Beat

01-223 7566

Finance Director

c.£40,000 + profit share + car

N.W. London

Our client is a well established, privately owned group operating in steel stockholding and merchanting. Success has been won with a commitment to high levels of customer service and the supply of added value products. Turnover currently stands at c.£70m and the company has ambitious plans for further development.

This new role of Finance Director offers the opportunity to help shape an exciting future, taking the business to its full potential. Working as part of a small close knit board, the appointee will be responsible for the co-ordination, direction, control and enhancement of management information and financial affairs throughout the group as well as being fully involved in commercial policy. There will also be an input to the strategic management area, evaluating possible acquisitions and leading the company's relationships with the banks

Candidates are likely to be chartered accountants aged 35-40 with previous senior level experience preferably including a spell in a trading environment. As well as first class technical skills and exposure to computerised accounting systems, we are looking for entrepreneurial flair, negotiating expertise and the ability to function effectively in an informal operating environment. Personal attributes will include a creative approach, determination, commitment and energy, Please reply in confidence giving concise career

personal and salary details to: Brendan Keelan, Ref. ER106, Arthur Young Corporate Resourcing, Citadel House, 5-11 Fetter Lane, London EC4A 1DH.

Arthur Young Corporate Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

FINANCIAL ACCOUNTS MANAGER Hertfordshire c£24,000 + benefits

Our client, Oialcom UK, is the electronic messaging and information service division of British Telecom Enterprises. The relocation of the business to Kings Langley is planned for late 1988 from its present Central London base.

Reporting to the Head of Finance the primary responsibility will be the day-to-day nunning of a department of 14, to ansure that monthly accounts and management information are produced accurately and within strict deadlines.

You will be required to ensure that all financial accounting controls and procedures are effectively managed and will provide a key role in the development and implementation of new systema to meet the requirements of this expanding business.

Suitable candidates will be qualified accountants with proven leadership ability, good technical knowledge and experience of computerised systems, including PC spreadsheet applications.

This ettractive financial package will reflect the importance of this appointment within the business and there are clear opportunities for career advancement on merit. Please apply in writing or by telephone (quoting reference F7242) initially to:

Suzanne Spatcher Clark Whitehill Consultants Limited 25 New Street, Square, London EC4A 3LN. Telephone 01-353 1577.

Clark Whitehill Consultants



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ESTATES MANAGER (FINANCE) c £18,000 p.a.

Progressive PLC are

looking for an enthusiastic Manager to co-ordinete on-sita managers and assuma control of £3m + rents. Experience of computerised management systems and the ability to work to deadlines, reporting directly to the Board.

Please phona Mike Morell of Meridian Accountancy on 01-255-1555

IBSTOCK JOHNSEN P.L.C. Group Systems Manager

Leicestershire

Ibstock Johnsen ple is a highly profitable group whose main interests are in building materials and forest products. The head office is in Lutterworth, Leicestershire, with divisions operating in the UK, USA and Portugal Turnover is in excess of £145m.

Reporting directly to the Finance Director, the Group Systems Manager will undertake a wide ranging role which encompasses the establishing and managing of the operational audit function, systems reviews of newly scouired companies and ad hoc projects and reports for the Main Board and seninr management. In addition he nr she will be responsible for co-ordinating further phases of the Head Office networked computer systems as well as a high level of involvement in subsidiaries'

c £20,000 package + car

computer systems. This high profile position will include international travel to all divisions.

Candidates (aged 26-30) should be qualified ACAs who can combine computer literacy with strong commercial and communication skills.

Careers prospects are excellent and the company nifers a highly compensive benefits package including relocation assistance where appropriate.

Interested applicants should contact Rod Bateman ACA nn 0602 483480 or write to him at Michael Page Partnership, Imperial Building, Victoria Street, Nottingham NG1 2EX.

Michael Page Partnership International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

development

FINANCIAL DIRECTOR

Up to £30K

Our client, an enterprising company specialising in the development and manufacture of innovative electronic products and management information systems, now seeks to appoint a Financial Director to be responsible to the board for the group's financial activities.

Ideally aged between 30 and 40 from the electronics production industry you will have experience of computer and systems implementation, a relevant accountancy background with knowledge of export and finance accounting and have the ability to handle the personnel and company secretariat functions. You will need to work very closely with the other senior

Gloucestershire

members of the management team and you will

require a sound commercial awareness to help project the company into its next phase of

In return for your hard work and practical solutions to problem solving you will receive a high basic salary, excellent benefits package and a company car. You will also have the opportunity to develop your general management skills within the group. Relocation costs will be paid where appropriate.

Applicants, male or female, should apply in writing to Mr. Paul Kehoe, Mercuri Urval Limited, 1-4 Portland Square, Bristol BS2 8RR Ref 122/88.

Mercuri Urval

S. E. Kent, c£24,000 + benefits



This long established manufacturer, part of a major U.S. corporation, is looking to appoint an energetic I-inance Manager to direct its accounting and information systems functions. With turnover around £20 million, the business aims for constant progression in marketing its high quality paper products world-wide.

As a member of the senior management team, you will be responsible for adding the financial dimension to business decisions and for ensuring that advanced systems are implemented to support complex requirements. You will be involved in projects for improving efficiency and quality and an immediate objective will be to implement a new business-wide computerised system, for which substantial investment is being

A qualified accountant, probably in your late 20's - mld 30's, you will have gained solid accounting experience within manufacturing industry, ideally in a process control environment. You will be accustomed to managing the implementation of sizeable systems and a working knowledge of export business would be an advantage.

The post is based in a pleasant rural location and benefits include profit related bonus, share option scheme, car and relocation assistance where required.

Résumés please, with daytime telephone number, to Janice Walden, Ref JW877.

Coopers & Lybrand Executive

CHIEF ACCOUNTANT

GROUP FINANCIAL ANALYST

£26.000 eCar.

W. London

£27.000

C. London

ROBERT

+ Car

Coopers & Lybrand Executive Selection Limited

Selection | Shelley House 3 No London EC2V 7DQ Shelley House 3 Noble Street

This major blue-chip multinational with an outstanding record of growth and development requires a qualified Accountant. 30-35, for e broadly based role. Operating within the management learn of a E200m turnover division, the role embraces day to day management of the finance function [20 staff], cash flow management, computer systems development and a range of project work relating to international fund management. The successful candidate will have obvious potential for progression within a Group committed to management development.

With a turnover in excess of £1 billion our Client is among the largest speciality retailers in the world. Through strategic acquisitions, store expansion and increased selling productivity, the Group has developed an outstanding financial record. There is currently a

developed an obstantions mancial record. I nere is currently a Head Office requirement for a top flight ACA, aged 25: 30 preferably with some commercial experience. Responsibilities will include special project investigation, production of cash reports, management accounting for three subsidieries, the development of spreadsheet packages together with the consolidation of Group accounts. Excellent prospects.

Please apply directly to Mark Ehrlich at Robert Half, Freepost, Walter House. Bedford Street, 418 The Strand, London WC2R QBR. Telephone: 01-836 3545, evenings 01-902 4932.

Financial Recruitment Specialists London · Birmingham · Windsor · Manchester

DIVISONAL CONTROLLER

Rickmansworth, Herts C. £30,000 + Car An outstanding opportunity to manage a division of a premier company. An aggressively acquisitive manufacturing (and retailing) Pic, it requires a qualified accountant (under 45) to supervise financial and management accounting as well as acquisitions policy.

FINANCIAL CONTROLLER

Nr Winchester, Hants C. £32,000 + Car A US electronics giant requires a qualified accountant (under 45) to manage a large subsidiary. Reporting to the Financial Director and supervising 15 staff, you will be responsible for the day to day running of the accounting and data processing functions.

BUSINESS ANALYSTS

Liverpool St/West End C. £30,000 + Car Our client is a well known blue chip financial service company who seeks to recruir two qualified accountants (under 40) at the above locations. The applicants will be involved in overseeing system development and be responsible for their clients' portfolio. Benefits include bi-annual salary

CHIEF ACCOUNTANT

C. £30.000 + Car A highly challenging role in one of the UK's top electronic organisations. Reporting to the Financial Director, you will be involved in the management and project accounting services. The ideal applicant will be qualified (under 40) and have experience preferably in a similar

FINANCIAL CONTROLLER

Nr Leatherhead, Surrey C. £33,000 + Car This progressive Electronic/Finance company seeks a qualified accountant (under 40) to take the overall complete control of the accounts function. Experience of man management and computer systems would be useful. Prospects of directorship are genuine.

Ring us now for further details

Deboo Executive

TEL: 01-253 1216 (24 km)

FROM LITTLE ACORNS ...

We couldn't be described as a "great oak tree" just yet, but so far we are proud to be one of the largest training organisations in the North West. We've grown from consil beginning 6 years ego to an annual budget of $\Sigma^2 I_2 - 3M$ with over 120 staff serving 6000 clients a year.

This rapid growth brings a need to realign and develop our financial systems and we need a

You should possess a formal accounting qualification, probable ACA or ACCA, and offer at least 2-4 years post qualification expenence at managerial level in a service industry environment. You will also need experience in implementation and/or management of computarised accounting systems.

Send your CV and application, or phone first If you wish: The Chief Executive, Merseyalde Education Training Enterprise Limited, 6 Salisbury Street, Liverpool,

GENERAL MANAGER, FINANCE & ADMINISTRATION C £18,500

to menage all financial and Company Secretarial functions. An early priority will be the preparation of a suitable operating strategy, and you will be relied upon to produce management information, funding applications and accounts, provide financial advice for the Board, and administer the group's taxation affairs.

Could you develop this vital branch of our "great cak tree" of the future?

is an equal opportunities employer

Finance Manager

£27,000-£30,000 + Car Home Counties

This is a rapidly developing manufacturing, sales, marketing and service division of a highly successful American multinational. The division, with another and acceptance of the electronics products and services directed at specialist growth sectors of the electronics market, has expanded to a £70 million business and will continue to expand rapidly by increased penetration of existing markets and new business

Initially the Finance Manager will be responsible for all non monufacturing octivities. Strategically this is now the most important part of the business and in this role he/she will be supported by three qualified occountant onolysts. After on initial period of 6-9 months it is intended that the Finance Manager will take responsibility for all manufacturing activities in order to gain a comprehensive knowledge of the Campany's activities. There will be a significant personal contact internally with UK and US monagement.

Applicants should be graduate qualified accountants with recent exposure to a ropidly growing arganisation and the ability to handle the intellectual challenge of a complex business. A broad experience is required of all aspects of accounting and financial analysis to the stringent standards associated with an American multinational business.

Age guideline late 20's, early 30's.
Please reply in confidence quoting Ref: E122 to:

Adrian B. Edgeil Mason & Nurse Associates 5a Station Road, Egham Surrey TW209LD. Tel: 0784 71255

Mason & Nurse Selection & Search

FINANCIAL CONTROLLER

We require qualified ACA as Finance Controller to take responsibility for the financial reporting and management of the GMEDC Group, and to provide support in the review and management of investment projects.

As the Development Agency for Greater Manchester, GMEDC is GREATER sponsored by the ten Local Authorities of Greater Manchester. With access to substantial public and private aector financial resources, tha Group provides venture and development capital, develops industrial property and provides a ranga of promotion and training services to the region. This appointment therefore offers an excellant opportunity to acquire financial managament expertisa in an axpanding and profitable organi-

GMEDC is an equal opportunity employar, offering attractive MANCHESTER terms and conditions of employment, including car user allowance. Salary c. £18,000.

Please, apply in writing, enclosing detailed CV, to I M Bolton, Finance Director, GMEDC Limited, Bernard House, Piccadilly Gardens, Manchester M1 40D.





GPA Group Limited seeks professionals with high academic qualifications who are currently employed in financial institutions, legal or accounting firms, the public service or relevant industrial companies.

GPA is a financial services company specialising in aircraft asset management. Based in Shannon, Ireland, with offices in London and Connecticut, it is the largest operating lessor of commercial jet aircraft in the world. GPA currently manages a fleet of 115 aircraft valued at \$2 billion with orders for additional aircraft worth approximately \$5 billion. GPA shareholders and joint venture partners include some of the world's leading airlines, aerospace manufacturers and financial institutions, as well as the majority of GPA employees.

GPA has shown continuous growth since its foundation in 1975 and now has a net worth in excess of \$450 million. It attaches great importance to the quality. commitment and innovative ability of its people, who now number 150.

The proposed appointments arise both from internal promotions and an expansion of activities within the Finance Division, which manages debt lines of \$1.9 billion and annual cash flow movements in excess of \$2.5 billion.

SENIOR VICE PRESIDENT -**TREASURY**

£100,000 +

Ref. No. 3427

Reporting to the Chief Financial Officer, this is the senior Treasury position in the group. The appointee will have a creative and visionary approach to the development of the group's sources of funds and the fostering of appropriate relationships will be very important. The appointee will be experienced in handling complex negotiations with major financial institutions and will be responsible for the management of the total Treasury function including its access to the international public debt markets.

In conjunction with the Senior Vice President - Finance he or she will share the responsibilities of the Chief Financial Officer, and work closely with him in the development and implementation of a strategic financial policy for the group. He or she will be capable of deputising for the Chief Financial Officer in his absence and of managing the total finance function.

VICE PRESIDENT AND TREASURER -**JOINT VENTURE COMPANIES**

£75.000 +

An experienced Treasurer is sought to take responsibility for the financing of GPA's affiliated companies, which are separately funded. These companies include GPA Airbus 320 Limited, GPA Fokker 100 Limited, GPA Jetprop Limited, Irish Aerospace Limited, Shannon Engine Support Limited and the recently announced joint venture with British Airways plc.

The appointee will report to the Senior Vice President - Treasury and have appropriate support staff. The position requires significant experience in structuring debt facilities with large financial institutions.

DIRECTOR OF BANKING

£50.000 +

Ref. No. 3429

The Director of Banking will provide appropriate support to the Senior Vice President, Treasury and Treasurer - Joint Venture Companies in the development of the group's debt facilities. In addition the appointee should be capable of leading negotiations with financial institutions and handling related documentation and liaison with professional advisers. Experience with large syndicated banking transactions would be an advantage.

FINANCIAL ACCOUNTANT -JOINT VENTURE COMPANIES

A Chartered Accountant with some post qualification experience, preferably in a financial services environment, is sought for this position. Reporting to the Group Chief Accountant, he or she will service the accounting requirements of the group's joint venture companies and will also advise on the appropriate structuring of commercial transactions particularly in terms of their impact on taxation and the balance sheet.

MANAGER – DEBT ADMINISTRATION (LEGAL)

£40,000 +

Ref. No. 3431

An experienced professional with a legal background is sought for this position. He or she will co-ordinate banking activities on a day-to-day basis and be primarily responsible to the Senior Vice President - Treasury for ensuring compliance with all documentary obligations to the group's lenders.

FINANCIAL ACCOUNTANT -PARENT COMPANY

£30,000 +

A young Chartered Accountant who has qualified in a large practicing firm will be suitable for this position. Reporting to the Group Financial Accountant, the appointee will be responsible for producing the group's consolidated management accounts and audited financial statements at year end. Familiarity with computerised accounting systems, corporate taxation and the ability to manage staff will be important.

TREASURY ASSISTANT

£20,000 +

Ref. No. 3433

The Treasury Assistant will provide appropriate support to the Treasury team. A knowledge of banking, treasury systems and interest rate management techniques will be helpful. The position will ideally suit a recently qualified professional wishing to develop a career in Treasury.

All positions are based in Shannon and require determined and resilient professionals who have a bias towards achieving results. Professional qualities must be blended with an ability to adopt a broad commercial and entrepreneurial approach to the group's business.

The compensation indicated includes competitive salaries and benefits and participation in bonus and profit sharing schemes. There are excellent opportunities for personal development and share participation.

The positions are open to personnel already within the company.

Candidates should send comprehensive applications in confidence, quoting the appropriate reference number, to: Brian Ward, Peat Marwick Management Consultants, 1 Stokes Place, St. Stephen's Green, Dublin 2, Ireland



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Standards

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No 3437

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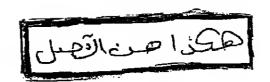
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Finance Manager



Tax free salary + expatriate benefits

Emirates – the International Airline of the UAE – Dubai – is a young and a fast growing IATA airline and already winner of three prestigious industry awards. Expansion plans include major increases in destinations and fleet size. The Company, which employes 3,300 people, also operates substantial airport service and travel agency businesses.

Dubai

You will be the chief financial officer participating in a highly experienced management team and will report to the

You will be a graduate qualified Accountant, ideally Chartered, with 7-10 years' finance/accounting experience to senior level, preferably in the airline industry. You will have a strong commercial focus, first class managerial skills and a creative

To c£25,000 + Relocation

Finance Manager, Teesdale,

adjacent to the North Yorks Dales

unit managers to ensure that busine objectives are met. Reporting to the Site Financial Controller, you will be supported by a small high calibre team. Responsibilities will include financial planning, budgeting.

business and operational reviews and the provision of regular management information.

and amploys 1,400 staff at its high tech

Giaxo manufacturers 150 different products

Barnerd Castla factory which is situated in the beautiful South West Durham Countryside

As Finance Manager with special responsibility for a distinct manufacturing unit you will be an important mamber of the management team, working closely with the

County Durham

The Glaxo Group is one of the largest healthcare companies in the world and has grown to become one of Britain's ten largest businesses

Glaxo Pharmaceuticals is the sales and marketing company for the

During six years of remarkable growth Glaxo has expanded from a turnover of £515m in 1981 to over £1,700m in 1987. Profit before tax in 1987

The generous expairiate remuneration package includes an excellent tax free salary, end of service benefit, furnished accommodation, education allowances, fully maintained car and airline industry and other expatriate benefits.

Please reply to Barbara Robertson in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 5127/FT on both envelope and letter.

FINANCE MANAGERS

For one of the UK's Top Ten Companies

Finance Manager, South Hertfordshire

Management Consultancy Division P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

ACCOUNTANCY

APPOINTMENTS

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10 & 11

Group controller

London, to £27,000 + car + benefits



Based in London, Paris and Madrid this young and established private international consulting and corporate finance group has an earnings expectation of over S3m this year. With particular expertise in developing countries, the group specialises in management consultancy and corporate advisory work, combined with imerchant banking' financial service activities, ranging from organising capital financing to direct equity participation.

Due to a recent reorganisation of its international corporate structure the new position of Group Controller has been created. Reporting to the Group Managing Director your first task will be to develop and manage the group accounting, management information and secretarial function, including overseeing the operating companies accounting staff. You will then expand your role to that of financial analyst for the financial service business currently being developed in London. As Group Controller some overseas travel, mainly to Europe, will be expected.

You will be a qualified accountant, aged early 30's to 40's, with group accounling experience. Additionally, full familiarity with accounting practices in France and a working knowledge of French is required.

Résumés, including daytime telephone number, to Chris Haworth, quoting reference

Coopers & Lybrand Exécutive

Coopers & Lybrand
Executive Selection Limited

Selection | Shelley House 3 Noble Street London EC2V 7DQ

Chief Accountant/ FD Designate

A new post in one of the most dynamic groups in the UK. c.£24,000

Essex

An autonomous subsidiary of Hillsdown Holdings – one of the factors growing and most dynamic groups in the country – we import and distribute a variety of wood based materials. Our recent planned rapid expansion and increased diversity of operations have created the need for this important new post.

As Chief Accountant, you will report directly to the MD and with your staff of six

you will be responsible for all accounting functions. Particular emphasis will be necessary on the development and implementation of computer based cystems. With our international operations and UK trading situations, a keen knowledge of foreign exchange requirements and inventory control procedures will be necessary.

We would expect you to be qualified and probably in your early 30's, but we are open to giving consideration to experience rather than letters after your name and to male or female applicants from other age groups. Based in an attractive part of West Essex, we offer an excellent package. Negotiable salary, profit related bonus, medical insurance and, of course, a quality car. Most importantly, we offer a future, for

the successful candidate should gain a board appointment within two years.

To explore the opportunity of joining us and being part of one of the UK's real success stories, send your CV to our consultant, John White, Moxon Dolphin & Kerby Limited, 178-202 Great Portland Street, London WIN 6]J, or telephone him on 01-580 8808 during normal office hours for an initial discussion. Please quote ref: 4059,



HUNTER TIMBER LIMITED

Practice Manager
Peterborough c£20,000 + Bonus + Car

commined to providing the highest quality, imaginative and efficient service to a wide range of clients

Accountant to develop and implement effective financial management and administration of the

The growth and planned expansion of the practice has created the need for an experienced

The successful candidate will work with the partners and staff in a team atmosphere and will be

Group in the UK and a principal supplier of manufactured products to the Group worldwide. Production of finished pharmaceuticais is carried out at Barnard Castle in County Durham and Ware in Hertfordshire. As a result of substantial growth we are looking to strengthen the management teams at Barnard Castle and Ware with the addition of three management teams. Such will be preparative for expectation and climateria. in respect of the financial management of the total site production activities. Together, these activities will allow you to make a significant contribution to the site's future development. These are prime roles involving considerable involvement with senior Finance Managers. Each will be responsible for supporting and stimulating the achievement of our business goals within a discrete manufacturing unit amploying several hundred people.

management. They provide a tremendous opportunity to develop your financial and commercial skills within a major organisation. Initial assignments are likely to last around 2 years. The company rewards Innovative commercial managers. Achievers can expect promotional

South Hertfordshire and Teesdale, County Durham

Glaxo manufacturers around 30 different products at Ware and employs around 1,000 staff in total. As Finance Manager - Services - you

will provide a high quality financial management service to the non-production activities at the site. Supported by a small highly motivated team your role will encompass financial planning, budgating, reporting,

adhoc analysis and investigations. You will also provide a co-ordinating role

opportunities at site or group level in financial or general management. Candidates, aged under 32, should be qualified accountants (ACA, CIMA or ACCA) or passed finalists of graduate intellect who can demonstrate a track record of achievement to date. Innovative skills,

commercial awareness, an enthusiastic approach and the ability to communicate effectively at all levels are essential prerequisites for thase demanding roles. The axcellent salary and benefits package includes full relocation assistance where appropriate. To apply please send your career datails,

no appry please send your career datails, and daytime telephone number, to Sue Rossiter at MKA Search International, MKA House, 36 King Street, Maldenhead, Berks SL6 1EF. Alternatively, if you would like an informal discussion please telaphone her on (0628) 75956 (daytime) or (0491) 680015 (evenings). Strict confidence is assured.



OUR SELECTION – YOUR CHOICE

Senior Auditor

c£30,000 + Benefits City As one of the leading American investment Banking and Securities Groups our client needs no introduction. They currently seek high profile individuals to strengthen their existing merical control team. Successful applicants will gam a thorough understanding of the Group's businesses allowing scope for movement into a line management role. Ref. JE.

Project Accountant £25,000 + Car Our client a leading pic is a major force in UK recalling and the marketing of household name products. They seek a young ACACMACCA (aged 25-29) to be responsible for a range of financial projects. This will include developing financial targets for group and subsidiaries, preparing business plans and product profitability analysis. Excellent opportunity. Ref. DR. Corporate Finance
City £25-50,000 + Banking Bens

A number of our most prestigious clients in the Merchant Banking and Stockbroking Sectors are seeking to strengthen their high powered corporate finance teams with the appointment of Qualified Chartered Accountants of the highest quality. There are opportunities at trainee executive and assistant director/manager level. Excellent career development opportunities. Ref. PG.

Financial Analysis C. London £20-30,000 + Car

Our client, one of the UK's most successful fashion retail groups, is currently recruiting for a number of roles within their Group Head Office. The positions are responsible for the financial analyses of subsidiary companies, this includes analysing and commenting on results and market trends, strategic planning and a range of ad hoc assignments. Ref. HF.

Management Consultancy C. London £20-40,000 + Car

We are continually seeking high calibre accountants and MBA's (aged 25-33) for the leading strategy and charactered consultancy firms. These opportunities will be particularly attractive to self-starters with a proven record of success to date, who are looking to broaden and build on their existing commercial and industrial experi-ence. Ref. SK.

Venture Capital

£Negotiable This venture capital operation, part of a leading UK merchant banking group seeks a qualified accountant (24-30). You will be involved in fandaking for a range of businesses, sourcing finance, as well as developing relationships with major banks and financial institutions. You must be commercially aware and have the ability to react quickly to business opportunities. Ref. [B.

Controller-Leisure industry C. London £30,000 + Car

An ourstanding opportunity enters for a com-mercially orientated accountant to assist and advise the MD in the further expansion of this small established PLC. If you enjoy making a direct impact on commercial decisions, sharing in the rewards and have demonstrated influence on the commercial development of companies please call or write with your details. Age 27-37. Ref. MM.

For further information on these and other appointments contact John Bowman or Paul Goodman on 91-387 5400 (out of hours 0474 574473) or write to the address below.



DRAYTON HOUSE, GORDON STREET, BLOOMSBURY LONDON WCIHOAN TRLETHONE 01-387 5400

Development Controller

City of London

Qualified Accountants 28+ Package c£30,000 (including car + benefits)

Our client is a highly successful fast-growing listed property development group which is seeking a Development Controller to take responsibility for all financial aspects of a property development subsidiary.

Reporting to the Group Financial Controller the role will include the preparation of financial and management accounts, budgets, cash flow forecasts, statutory accounts for joint ventures, financial control of all development projects independently or with other developers, reports to all associated funds/banks, compliance with all group reporting schedules, review of tax implications of developments and liaison with the firms tax advisers, auditors, and financial advisors.

Candidates (male or female) should have, ideally, at least three years post qualification experience of the property development, civil engineering/construction sectors and be capable of using computer modelling techniques. Candidates should have proven staff management experience and have the potential to develop in line with this dynamic group's ambitious plans.

Please send a copy of your c.v. to George Ormrod Please send a copy of your c.v. to Georgias Liambias

B.A. (Oxon) or Vivien Bass B.A., Douglas Liambias

Jondon address quoting Associates Limited at our London address quoting reference number 2203.



DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R ONS TELEPHONE: 01-836 9501_

QUALIFIED ACCOUNTANT

SIDCUP £20,000 neg. + car

Required to assist in expansion programme. This position would suit the ambitious professional who is seeking real career prospects. Good management and communication skills are essential plus a sound background in commercial accounting.

If you have the talent and determination to succeed, write now with full career details to The Managing Director, Sentinel Security Group, 144 Maidstone Road, Sidcup, Kent DA14 5HS.

NEW YORK DESIGN COMPANY OPERATIONS MANAGER (Top Salary)

Having opened in London in 1985, our Branch office has experienced rapid growth and now offers a position heading up the total

The Operations Manager will control finance, staffing and systems. reporting directly to the Chief Executive.

You may be a young C.A. or an experienced "hands on" administrator with good financial knowledge. If you like challenge, excitement and international exposure, write in confidence with C.V. to:

MANAGING DIRECTOR HAMBRECHT TERRELL INTERNATIONAL **37 GOLDEN SQUARE** LONDON WIR 3AA

Providing timely and accurate financial and management information. Developing management information, costing and work programming systems. * Assist in the strategic planning, development and promotion of the business. * Computerising the firm's records. * The general administration of the partnership. Preferred candidates will be aged 30-45 and possess a recognised accountancy or other

appropriate professional qualification. Please write with full career and personal details together with current salary to Andy Swarbrick, Spicers Executive Selection, Leda House, Station Road, Cambridge CBI 2RN.



throughout England.

SPICERS EXECUTIVE SELECTION A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

DIRECTOR-FINANCE

c.£40,000 +

CROYDON

Highly regarded, well established, privately owned construction and development company with a successful growth and profit record, operating throughout Greater London, seeks ambitious finance professional to join its Main Board.

Candidates, aged between 35 and 45, should be qualified accountants with a sound knowledge of computer systems, and a progressive record of achievements to date. A commercial bias and strong man-management and communication skills are essential.

Rewards for success in this post will include a substantial company-performance related bonus and share option opportunity, in addition to negotiable salary, non-contributory pension and private health schemes, and executive car.

Interested applicants should send a full cv with details of current employment package to:-

Bernard Adams, Chief Executive, R. Mansell Limited, Roman House, Grant Road, Croydon CR9 6BU.





READY FOR A MOVE OVERSEAS...

FINANCIAL CONTROLI

Falkland Islands Development Corporation

c.£35,000 package

The Corporation has been operational since July 1984 and has an extremely wide remit *to encourage and assist in the economic development of the Falkland Islands." Since 1986 the economic scene in the Islands has undergone a radical transformation and the Faikland Islands is now able to determine its own development priorities from a position of strength

Into this stimulating and evolving situation the Corporation now seeks to recruit a financial controller to assist with plans for continued growth and provide a full financial management service to the FIDC and its commercially orientated subsidiaries, in particular, Stanley Fisheries Limited with assets of c.£10 million. The role will require the exercise of considerable commercial judgement and will include the control and investment of the funds of the FIDC, effective control and reporting of all liabilities, income and expenditure and the further development and implementation of computerised accounting systems.

Candidates will be qualified accountants with post qualifying experience having been ained in a small complex organisation requiring the development of tight reporting and control systems. A confident, mature character with excellent communication skills and the ability to stand one's ground in a positive and constructive manner whilst working under pressure from a number of directions is needed.

This is a challenging role at a prvotal time in the Islands' history. The remuneration package will be commensurate with the role's importance to the Corporation.

Please write in confidence, to Anne Routledge, enclosing full career details and quoting reference F3018.

KPMG Peat Marwick McLintock

Executive Selection and Search 9 Creed Lane, London EC4V 5BR

FINANCIAL DIRECTOR DESIGNATE

HOUNSLOW, WEST LONDON c£30,000 + Car

Portals Water Treatment, the multinational process engineering group, is combining two of its UK subsidiary business units to create a single process contracting company which will be based in Hounslow. The new company, employing 450 people and with a turnover of £40m, will specialise in providing design, engineering and contracting services for potable and industrial water treatment projects.

The initial challenge of the position will be to utilise existing people and systems to develop and form a single finance division responsible for accounting, treasury and computing

You must be a qualified accountant with proven experience of managing people and systems. You will be an integral part of the executive team and be expected to contribute to business policy and strategy.

Apart from the indicated salary and car, an attractive range of benefits apply. Relocation assistance is available if required.

Please send brief details placing emphasis on experience over the last five years together with your current salary and benefit package to Stephen Thompson (Personnel), Portals Water Treatment Ltd. Oldfield Lodge, 156 Bridge Road, Maidenhead, Berkshire, SL6 8DG.





Young Corporate Finance Team

To £20K + car + relocation

Geest PLC requires three outstanding young Accountants to join their finance team in the reporting, control and development of the group's superb financial performance to date and to plan further market penetration. The team will form a central backbone that will both extrapolate and use strategic information: the objective being to optimise the use of group resources to meet corporate goals, to facilitate organic growth, acquire new businesses and to produce all financial statements to the outside world.

The roles are "hands-on" in nature involving Board reporting, fund managment, major capital expenditure proposals/development plans, identifying, investigating and executing acquisitions and the performance appraisal and trend analysis of existing businesses. You will be pivotal in the consolidation and publication of corporate reports, your exposure to all levels of nagement and aspects of the business will be total.

North of Peterborough

Geest PLC is committed to management development — it is envisage that the successful encumbents will be moved into senior line roles within a sensible time scale and are looking for individuals who will commit themselves to Geest for the same period in return for

commit themselves to Geest for the same period in return for underwritten career prospects based on merit.

Both work and geographical environment are superb, 90 mins from London, on the edge of the developing Peterborough/Cambridge contribation; the rural Lincolnshire location encompassing sensible use prices with accelerating capital growth and an excellent quality

For further information please contact
Rod Bateman B.Com, ACA on 0602 483480
or send a C.V. to him at Michael Page Partnership, Imperial Building, Victoria Street, Nottingham NGI ZEX.

Michael Page Partnership

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Finance Director - Retailing and Distribution

South East

Our client, a substantial retailing and distribution plc, is following an exciting growth strategy by aggressively exploiting new market opportunities.

We seek a Finance Director with a strong commercial bias who, working closely with the Managing Director and supported by a sound team, will have a vital role to play in managing the successful growth of the business. You will be responsible for all aspects of financial control, planning. business evaluation, acquisition review and, crucially, the ongoing development and improvement of a sophisticated EDP and MIS function.

You will probably be aged 30-40, a graduate, qualified accountant with experience at Finance Director level ideally in a distribution environment. In addition to the obvious technical, management and communications

MANAGEMENT SELECTION

to £40,000 + Bonus + Bens skills required, a familiarity with EDP systems, and the

ability to influence and earn the respect of non financial management, are crucial.

Interested applicants should write enclosing comprehensive curriculum vitae and daytime telephone number to Barry Ollier, BA, ACA, quoting Ref: 245, at Whitehead Rice, 295 Regent Street, London WIR 8JH.

Whitehead Rice

Group Chief Accountant

c£35,000 + bonus + car

Our client is a leading and highly successful UK PLC. In recent years the Group has achieved significant growth and transformed its business base through a series of strategic acquisitions and exporate development initiatives Throughout the Group experienced management teams operate within a highly decentralised structure, subject to strict financial controls. The organisation is now emerging as strong, and capable of adapting quickly to changes in

This growth has created the need for a Group Chief Accountant to assist in implementing the expansion programme; with specific responsibility for Group reporting and running the head office finance function. Reporting to the Financial Controller, key tasks will include enhancing corporate systems, controls and procedures in line with current and future business needs, and managing a team of staff providing statutory and internal information for the Group.

Candidates should be Chartered Accountants, probably aged between 30-35. They will have worked in a group headquarters role demanding a professional approach combined with strong technical and staff management skills Experience with computer based accounting systems is essential. Candidates will be mature, self motivated and hardworking with the confidence and presence to operate effectively in a last moving corporate environment.

City

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This is an outstanding opportunity to enhance your career in one of today's most successful UK PLCs. Please reply in confidence, giving concise career, personal and salary details to: Judith Richardson, Ref ER 991, Arthur Young Corporate Resourcing, Citadel House, 5-11 Fetter Lane, London EC4A 1DHL

Arthur Young Composate Resourcing

AMEMBER OF ARTHUR YOUNG INTERNATIONAL

OUTSTANDING FOR STRATEGY

McKinsey & Company, the foremost international strategy consulting firm, seeks to recruit outstanding men and women for its expanding London office.

You will be aged between 27 and 32 and have a record of distinctive achievement with a top international accountancy firm, and perhaps subsequently with a blue chip bank or industrial company. Professional experience should include demonstrable success in audit, tax or consultancy. Experience of special investigations or corporate finance will be a distinct advantage.

In addition to your ACA you must have exceptional academic qualifications and proven leadership ability. You should have the maturity and poise to interact with chief executives of major corporations.

Although you will have excellent prospects where you are, your interests and ambitions will lie in general management and in developing and implementing business strategies.

McKinsey offers the prospect of highly stimulating work in a range of industries, and the opportunity to acquire international experience and general management skills. The potential for advancement, personal satisfaction and financial reward are outstanding and will reflect the calibre of the individuals that we seek.

If you are interested in becoming a strategy consultant with McKinsey, and consider that you have the necessary qualifications. please send your curriculum vitae to Peter Foy, Managing Director, McKinsey & Company, 74 St James's Street, London SW1A 1PS quoting reference FT/166.

Your application will, of course, be treated in the strictest confidence.

McKinsey & Company

Outstanding Opportunity: Retail Sector

FINANCIAL CONTROLLER

Package c £40-50,000 pa

Our client is a major high street retailer and a market leader in its field. It has some 450 outlets, a turnover exceeding £300 million pa, and is part of one of the UK's top thirty blue chip groups. Following a major re-organisation and investment programme, the company is now poised to achieve a dramatic increase in volume and market share. This appointment represents an outstanding opportunity to less than the company in the th represents an outstanding opportunity to join this ambitious retailer at a genuinely exciting

this ambitious retailer at a genuinely exciting stage of development.

The Financial Controller will be chief financial officer and will be expected to play a full and active part in the overall management of the company. The Job holder will manage an immediate staff of 30 people and a remote site of a further 50 staff dealing with branch returns. The job holder will be responsible for all financial and management reporting and will enjoy the challenge of further developing financial control, management information and

N. London/Herts

computerised systems throughout the

company.

Candidates for the position should be

Candidates for the position should be graduate qualified accountants, probably aged early to mid thirties. Candidates with sound line management experience with a substantial retailer will be preferred. Experience of developing financial control procedures, management information systems and man management skills will also be advantageous.

The remuneration package will include a basic salary of up to £35,000 pa plus a performance related bonus up to £17,500 pa. The benefits include an executive car, pension scheme, life assurance, private health care, 25 days holiday entitiement and a full relocation package in appropriate cases.

Please send career and current salary details, together with a daytime telephone number, to Barry C Skates at our Maldenhead office. Of course, strict confidentiality is assured.

MKA SEARCH INTERNATIONAL LIMITED MKA House, King Street Maidenhead, Berks SL6 1EF

Maidenhead, London, Worcester



Financial Times Thursday June 16 1988

Stay lend to lyg -

Administration & Commercial Director

to £30,000 p.a. + Car + Share Options

Our Client is a fost expanding plc monufacturing and morketing on increasing range of products for the UK and W. European DIY morkets. They now wish to odd an Administration and Commercial Director to the small executive team of the UK morketing company based in South Hertfordshire.

This role requires a vigorous, pro-active manager with the professional capacity and commercial scope to support worehousing, sales office, administration, data processing and occounting activities through a total staff of 23. In addition, the obility to make a significant contribution to the company's broad, angoing development is vital.

Applicants should be qualified accountants with sound arganisational skills and on enthusiasm for real business issues. The growth of the Group will ensure future appartinities beyond the printingle apparature to the ground line.

ensure future opportunities beyond the original oppointment. Age guideline 30-35.

Please reply in confidence quoting Ref: E133 to:

Margarei Mitchell Mason & Nurse Associates 5a Station Road, Egham Surrey TW209LD Tel: 0784-71255 Offices in London, Birmingham and Egham. Mason & Nurse Selection & Search



10.00

20,000

lon Herts

Accountancy Personnel Placing Accountants First

CHRISTIE

CHRISTIE GROUP PLC

Central London

£Neg Our client, an associate company of Christie & Co, have been offering specialist valuation and stocktaking services in hotels, public houses rectaurants and chabe, since the turn of the century.

An exceptional opportunity has arisen for an Accountant, with strong emphasis on business expension, financial reporting and client fisison. The role also involves setting up accounting systems, and staff supervision. Accountancy Personnel
14 Great Castle Street,
Oxford Circus, London WIN 7AD. The ideal applicant will be of a personable, professional nature, whose practical innowledge and experience will outweigh professional qualifications. Excellent



For further details contact:

COMPANY ACCOUNTANT

Central London £22,000+Car+Benefits

ied accountant for its Head Office. Responsibilities-Supervision of accounts department of seven, control of triescomputer bened accounting system, preparation of monthly management accounts, enfuel accounts and group returns, with involvement in a number of

The successful candidate must be able to contribute to the efficient n

Stoy Hayward

PART QUALIFIED PFP

Stoy Heyward's clients demand and get advice of the highest standards on all financial matters, including tax and general financial planning. They created a specialist PFP team just over a year ago and rapid gr

The intention is for an individual to maximise the benefits of financial resources through careful planning of investments, pension provisions, inheritance and capital

ins tax planning along with family income protection plans etc.

For further details contact: Accountancy Personnel 63/65 Moorgate, London EC2R 6BH Tel: 01-628 8525

The work is therefore unique in its rich veriety and is constantly challenging. If you have experience in tex or personal financial planning and a desire to progress within a supportive and dynamic team then contact us for an early introduct

A MEMBER OF RLUE ARROW PLC

Financial Controller

Capital Equipment Manufacture East Midlands, c £30,000, Car, Benefits

East Midlands, c £30,000, Car, Benefits

This £75 million subsidiary of a progressive UK group is e world leader in the manufacture of eutomated capital equipment, supplied to an international customer base. Responsibility is for the total financial management of a cetwork of multi-site businesses, assisted by e professional team numbering 30 in total, covering computerised financial and management accounting, budgeting control and treasury management. Additionally, working alongside and reporting to the Managing Director you will be extensively involved in the management and strategic development of the core businesses. The interfacial role with the parent company is also of paramount importance. Qualified accountants, aged over 30, will be finance professionals capable of both operational management and strategic impact at the highest level, who have extensive, industry based experience, of computarised accounting systems. Prospects beyond this initial role are outstanding. K.H. Thompson, Hoggett Bowers pkc, 3 Wellington Court, Wellington Street, CAMBRIDGE, CBI 1HZ, 0223-324441. Ref. NI 3077/FT.

Financial Director

East Scotland, Package To £30,000, Quality Car

An outstanding opportunity for e first class accountant to secure the senior finance position within the European operations of this very progressive, globally represented US multinational Group. The product range is technologically edvanced and continued investment in product innovation and development will maintain the company's strong market leadership position. As an integral member of e small but high powered executive team, the Financial Director reporting to the Managing Director – Europe will be responsible for all financial and MIS functions within the European organisation. Additionally you will provide extensive input toward the strategic management and development of the business and in this respect the interfacial relationship with the US parent is of paramount importance, overseas travel being involved. Candidates aged 28-35 will be graduate professionally qualified accountants with above average and rapidly developed ecademic and financial management track records, currently working in a senior management capacity in either the profession or industry. Maturity, diplomacy and commitment combined with persuasive communication and leadership skills will be vital factors in dictating the future rate of career growth within this blue chip and tightly financially managed the future rate of career growth within this blue chip and tightly financially managed organisation. K.H. Thompson, Hoggett Bowers pkc, 29 St. Vincent Place, GLASGOW, G1 2DT, 041-221 2585. Ref. N13058/FT.

These positions are open to male or female candidetes. Please telephone for a Personal History Form to the relevant office, quoting the eppropriate reference.

APPOINTMENTS

ADVERTISING

For further information call 01-248 8000

> **Tessa Taylor** ext 3351

Deirdre Venables ext 4177

Paui Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694



FINANCIAL CONTROLLER

W. London

Our client is a medium sized, autonomous UK subsidiary of a major European industrial group, specialising in international distribution and trading. Currently poised for a period of growth and expansion through acquisition, the company oow wishes to appoint a Controller to head up the finance function and to undertake the role of Company Secretary. Reporting to the Managing Director the role will entail responsibility for all financial and management reporting, provision of more sophisticated systems and participation in corporate strategy and acquisition activities. Candidates should be qualified accountants

to £35,000 + car

with sound financial and management experience, gained from working in a progressive commercial environment. They should have the maturity and personal skills to communicate effectively at board level and they should be computer literate. This is a key role in the organisation which should lead to a board appointment in due course. It carries with it an attractive benefits package including executive car, BUPA and a non-contributory pension scheme. Applicants should write enclosing a full cv and salary details, quoting reference B8257, to

KPMG Peat Marwick McLintock

Executive Selection and Search 9 Creed Lane, London EC4V 5BR

Our client is the newly formed subsidiary of a prestigious banking and financial services group, part of the well planned extension of an important new funding initiative. This has created the need for a number of high calibre professionals able to shape and manage an enterprising young company at a time of rapid growth.

Senior **Project** Manager

to £30,000 + Car + Banking Benefits

This position will resource a wide ronge of ad hoc projects primarily orising through product and business sector development, systems review and implementation, financing and balance sheet management. A keen analytical mind and the ability to assess situations and formulate solutions quickly are essential. Close liaison with a diversity of functions will further require first class communication skills.

Accounting Managers

Treasury &

to £27,000 + Car + Banking Benefits

Two able young managers will create, develop and manage operational teams to support the specialist occounting and reporting needs of the business. Key responsibilities will include systems specification, the control of large scale cash movements and provision of procedures to ensure compliance with complex legal requirements. The obility to manage effectively in this technically and intellectually chollenging environment is essential.

Ref: E131

Located in South Hertfordshire, the company is well served by both M1 & M25 motorways. Please reply in confidence quoting the relevant reference to:

Margaret Mitchell Mason & Nurse Associates Sa Station Road, Egham Surrey TW209LD. Tel: 078471255 Offices in London, Binningham and Egham

Mason & Nurse Selection & Search

Financial Controller

City

Package circa £40,000

Our client is a leading City firm specialising in Institutional and Private Client Funds Management. The organisation has ambitious plans for future development which it will achieve through internal growth and acquisition. In order to support these plans, our client intends to introduce oew accounting structures and systems during the next few months.

The Financial Cootroller will be accountable to the Financial Director and will carry significant responsibility for budgets, financial control, annual accounts and regulatory and holding company returns. The successful candidate will be expected to liaise closely with the Technical Services Department in the development of computer based financial systems.

Candidates, ideally aged between 30 and 40, will be graduate Chartered Accountants with at least three years experience in the Securities Industry and proven management ability.

The excellent remuneration package includes a company car, mortgage subsidy, BUPA and Pension Scheme.

Interested candidates should send a comprehensive curriculum vitae including details of current salary end a daytime telephone number quoting reference LM039 to Susan Stuart, at Spicers Executive Selection, 13 Bruton Street, Loodon W1X7AH.



SPICERS EXECUTIVE SELECTION

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

INTERNAL AUDIT POSITIONS **IN BANKING**

We are an International Bank with operations in 73 countries. We are further strengthening our Internal Audit Division and for this, we invite applications from Chartered Finalists with good professional background

and experience. The suitable applicants will be those

who have enthusiasm and initiative and have an interest in making internal auditing (in Banking) a long-term career, are self-motivated and have the competence and the confidence to deal with all levels of management. The positions are London based, but a considerable amount of travel is involved both within U.K. and abroad. The successful candidates will be working in a

multi-national environment and should have good communication skills in dealing with different nationalities in different parts of the world.

The work involves operational audit of branches and other specialised activities including Merchant Banking, Foreign Exchange Dealings, Treasury functions etc. Competitive remuneration package will be offered commensurate with age and experience.

Prior experience of Bank audit will be an advantage although not essential. Maximum age 30 years.

Please apply in confidence by Thursday 30 June 1988 at the following address enclosing a C.V. and a passport size photograph to:

TRADE FINANCE

Make a Major Contribution to our Future

We are a major European company with an impressive record of growth and a turnover in excess of £250 million, including a significant proportion of exports. Building on this success, we are now embarking on an aggressive programme of geographical and product expansion. The effect of this will be to triple corporate

As Trade Finance Officer at our European Headquarters in Surrey you will have a central role to play in this expansion. Working closely with the company's export sales departments, you will be responsible for all aspects of export related finance and insurance, including ECGD buyer and supplier credit applications, contract bonds and guarantees, collections, letters of credit, etc.

This is a challenging position requiring an assertive personality and the confidence to deal directly with senior managment. While knowledge of export finance and ECGD would be advantageous, more important is the self-motivation to develop export finance skills in order to make an essential contribution to the export sales team. Training will be given as required. You should be a graduate, probably aged between 25 and 30, with financial experience.

We offer good opportunities for advancement as well as a competitive salary and benefits package.

To apply, please write to Kate Lewis, Senior Personnel Officer, Air Products PLC. Hersham Place, Molesey Road, Walton on Thames, Surrey, KT12 4RZ (Tel: 0932 2494787) quoting your present salary:



Financial Controller

S.E. London Salary Package c.£25,000

whose core business centres round the private development housing whose core numbers centres round the private development mousing sector. They have enjoyed substantial growth over the past eight years and now wish to appoint a Financial Controller to develop and upgrade the existing financial systems, produce monthly management information and provide detailed budgets and long term forecasts on a

Reporting to the Managing Director, and responsible for the small accounts department, the successful candidate will be a qualified Accountant who can demonstrate strong personal attributes and practical success in planning and managing the finance area in a growth situation. Good computer appreciation, systems development and sound commercial experience are essential requirements for this post as

na commercial experience are essential requirements for any post as ourd position is envisaged in two to three years. Interested candidates, who meet these demanding criteria, should send a detailed CV including current salary to Carol Jardine, quoting reference LM666, at Spicers Executive Selection, 13 Bruton Street, London WIN 7AH. Tel: 01-480 7766 Ext 4440.



SPICERS EXECUTIVE SELECTION A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

Finance Director

South Coast

c£34,000+Car

Our client is a £60m turnover subsidiary of a major UK plc in the advanced electronics industry. It is highly profitable, has a substantial future order book, and employs 1000 people. Future growth is expected through acquisioons and joint ventures. Promotion of the previous incumbent has now generated the requirement for a Finance Director. Reporting to the young Managing Director, you will be responsible for a team of over 40 people through 4 departmental managers covering Finance, MIS and

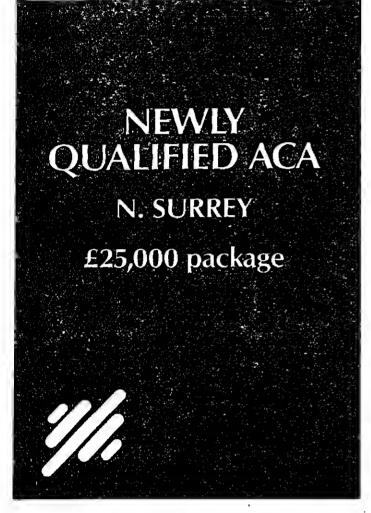
The role, however, is primarily orientated towards commercial business management, direction and strategy, working closely alongside the Managing Director.

To be successful in this role you will be a qualified accountant, probably in your early to mid thirties, with experience in a medium to large sized engineering or similar manufacturing company, preferably as a "number two" looking for the next step up. You will be ambitious, aggressive, and decisive with a "hands on", pragmatic style of management. You will also be able to demonstrate the ability and capacity to outgrow this position within two or three years, as this challenging and rewarding opportunity offers excellent career

If this is you, please submit your curriculum vitae to: Wayne Thomas, Michael Page Partnership, Executive Division, Kingsbury House, 6 Sheet Street, Windsor SL4 1BG.

Michael Page Partnership
International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide



This innovative financial services group has plans to multiply its profits 6 fold in the next 12 months, both by acquisition throughout the UK and via new business development. Currently a subsidiary of a major financial institution, it provides advisory services in investment management, stockbroking, banking and financial planning for an impressive client base.

The company seeks to complement its existing finance team by recruiting for a newly created financial accounting role. This will involve responsibility for the investment management and banking activities of the business, in addition to other areas such as treasury management and systems development. Exceptional prospects for promotion will be linked to your personal performance, in conjunction with the success of the company's dynamic growth plans.

This position offers an exceptional opportunity to work with a young management team of the highest calibre. It is imperative that you possess a forceful and lively personality, coupled with demonstrable ambition. Aged 24-27, you will be a graduate Chartered Accountant and come from a major firm.

For further details, contact Fiona Birt-Llewellin or Leon Hawthorne on 01-629 4463 (evenings & weekends 01-542 2159). Alternatively write enclosing a curriculum vitae to the address below.

HARRISON # WILLIS

FINANCIAL RECRUITMENT CONSULTANTS Cardinal House, 39-40 Albemarle St., London WIX 3FD. Tel: 01-629 4463

Managing Consultants advising the Banking & Finance Community

As a result of their continued growth, our client is seeking to recruit experienced Financial Management
Consultants to continue the development of their established Banking & Finance division. As one of the market
leader in this field, their glient have been to be continued to poor. The leaders in this field, their client base is to be envied, and the quality of their consultants is second to none. The prospects for partnership are excellent.

Edinburgh c £40,000+Car

Having successfully completed a number of assignments for Banking & Finance clients, there is now a need to set up a separate and specialised consulting group. This will therefore be a practice leader position and the successful candidate will not only manage but also sell consultancy work in senior London

£40/£55,000+Car

The continued expansion of the division will entail cultivating client relationships and selling assignments. You must have the ability to direct, control and develop the consultant resources to our client's demanding assignment management standards and take a proactive role in the firm.

We are seeking qualified accountants with a banking and finance background who have had recent consultancy experience (within the last two years). As well as being relevant to consultants currently performing a managerial role, senior level consultants looking for their first move into management, or individuals wishing to return to consultance busing locations in a line with the consultance of their first move into management, or individuals wishing to return to

consultancy having broadened their experience in a line role, will also be considered. If you are interested in these opportunioes, please send your curriculum vitae and daytime telephone number to Paul MacIldowie ACA, 39-41 Parker Street, London WC2B 5LH, quoting ref 515.

Michael Page Partnership

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Noningham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Internal Audit Manager

Excellent opportunity for a recently Qualified Accountant **Staines**

Sony (UK) Limited is a leading company in the marketing of innovative and high quality domestic, professional and commercial audio visual products, .noilim 0062 to revomut s rtiw

The highly professional Finance Division takes a pro-active role in supporting the development of the Company. They now wish to recruit an Internal Audit Manager who must be capable of developing into other roles in the Division as part of its policy of planned job rotation.

Reporting to the Finance Director, your high profile role will be to ensure that effective financial and manage-

ment controls are developed and maintained.

You will review the existing systems and procedures throughout the company in conjunction with the appropriate line managers, with whom you will be expected to build a close

Ideally, a qualified accountant with a training from one of the "Big 8" firms. you will also have the commercial ability to relate to the business. The post will suit someone recently qualified who has the motivation and disposition to move into a financial management role in approximately two years time.

Benefits, in addition to a competitive salary include a fully expensed car, discount on purchase of company products, BUPA and contributory pension scheme,

Please telephone Barrie Whitaker

on 01-387 7200 extension 4032 or write to him enclosing a full CV, quoting your current salary and reference number MCS/5107 at: **Executive Selection Division** Price Waterhouse

Management Consultants No. 1 London Bridge

Price Waterhouse



Newly/Recently Qualified Accountant

THE EXCITEMENT OF RETAIL THE BENEFITS OF BANKING

Kensington

\$24,000 + Car + Full Banking Benefits

A name synonymous with quality, reliability and style all over the world, and one of the most progressive worldwide service organisations ever. Our Europe, Middle East and Africa Regions alone boasts a membership base including some 2,500 Fmancial Institutions, and last year enjoyed a phenomenal 60% growth rate. An outstanding performance based on financial initiatives, professional commitment and commercial flair.

Further plans for expansion have now created a new influential position for a newly/recently qualified accountant who can match our ambition and drive. Reporting directly to the Financial Controller and managing a specialist accounts team, this pivotal role involves developing an overall view of the entire financial and acts as a central source of expertise for senior management. You will also have the opportunity to travel throughout the region - enough to interest, not so much as to become a chore.

Career prospects are as unlimited as our growth potential, and an outstanding remuneration package includes a highly competitive salary, company car and a comprehensive range of banking

SWIFT SWIFT

The Society for Worldwide Interbank and Financial Telecommunication (S.W.I.F.T.) is one of the fastest growing organisations in the banking community, transmitting around a million financial messages each day between its thousands of member banks through one of the most secure computer networks in the world. For our headquarters in La Hulpe near Brussels we are looking for a (m/f)

The Chief Inspector is responsible to the Chief Executive and the Board for ensuring the security

The requirement is for a Senior Auditor, reporting to the Chief Inspector, who will carry out system development audits over the group as a whole. His/her primary responsibility will be the ongoing audit of a major new world-wide network system being engineered by S.W.I.F.T. for bank

The group employs people from many nationalities around the world and there are thriving inter-

The candidate will.
□ be a high level specialist in computing, with at least five years' systems audit experience.
□ be an effective leader of small highly-specialised groups.
□ have the ability to communicate effectively at the most senior level in an international company.
□ have been educated to degree level, preferance.

The official language of the group is English, but additional languages would be a distinct asset, as would experience gained in the financial sector:

A highly attractive salary package is offered which reflects the importance attached to this key

SWLET SWLET SWLET SWLET SWLET SWLET SWLET SWLET SWLET SWLET

and reliability of the group's operations, including computer systems under development.

SENIOR EDP AUDITOR

bly with an additional business qualification be aged between 30 and 45.

Some international travel will be necessary, but this will not be excessive.

national communities at its three main locations.

For further details of this rare opportunity, please write with full CV, to our consultant, Charles Austin at Mervyn Hughes International Ltd., Management Recruitment Consultants, 63 Mansell Street, London El 8AN. Telephone: 01-488 4114. Please quote Ref: A154

ALLIANCE LEICESTER -Estate Agents---

FINANCE DIRECTOR (DESIGNATE) Crawley £30,000 p.a. (Neg.) + Car

As you would expect of one of the most progressive and successful Building Societies, the Alliance and Leicester is taking full advantage of the new business opportunities open to it. As a result, Alliance & Leicester Estate Agents Limited has been created; the first acquisition is complete and others are in the immediate pipeline.

Dynamic and ambitious growth plans demand a Finance Director in a similar mould to play a leading role in the evaluation and negotiation for other acquisitions and to ensure appropriate

systems and controls facilitate their smooth transition into the Group.

You will be a graduate, qualified Accountant, 30-35 years, commercially experienced and aware, with a track record demonstrating flair, achievement and social/communication skills of the highest order.

The salary of £30,000 is negotiable for the right candidate and the company car is fully expensed.

If this challenge excites you, then please write with full career details quoting reference L/104/88 to Morag Lloyd.

KPING Peat Marwick McLintock

Executive Selection Arlen House, Salisbury Road, Leicester LEI 7QS. (0533) 471122

Financial Director

Food Processing

South Midlands

c£45,000 plus car

Our client, the major subsidiary of a diverse, privately

owned group, is a rapidly growing and highly successful food processing company with a turnover of £50m. This is a newly created position reporting to the Managing Director and Group Chairman.

You will be required to review and up-grade existing systems and procedures, computerising where appropriate and improving financial disciplines where necessary. Part of the job will also involve working on special projects for the Chairman, providing financial advice, as well as consolidating the Group accounts.

ship qualities with a flexible approach to problem solving and relocation package.

an ability to motivate staff at all levels. The starting salary is negotiable and the fringe benefits are excellent, including profit-related bonus, pension and

Accountant with several years' experience in financial manage-

ment in a sophisticated, process industry environment.

Some experience of working in a group accounting function

would be beneficial. You must be able to display strong leader-

Please write or telephone for an application form, or send a detailed CV to D.J. Dewhirst at the address below quoting ref. PBM/2345/DJD.

Aged 30 to 45, you should be a Chartered PA Personnel Services

Executive Recruitment - Human Resource Consultancy

6 Highfield Road, Edgbaston, Birmingham B15 3DJ. Tel: 621-454 5791

If you are interested, please send your written application, detailed curriculum vitae and photo to: S.W.I.F.T. s.c. - Corporate Human Resources Avenue E. Solvay 81, 1310 LA HULPE - BELGIUM.

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£57 s.c.c.

All applications will be acknowledged and absolute discretion is guaranteed.

FINANCIAL DIRECTOR

up to £35,000

We seek an outstanding manager to direct and control financial matters in the successful, \$20m engineering subsidiary of a large British plc. The business is complex, expanding fast and the initial emphasis of the job will be to develop systems and the intrastructure to maintain growth

Candidates, aged at least 30, will not only be professionally qualified graduates with an excellent track record in financial management but also businessmen or women of very high colibre. Experience of the manufacture and sale of capital equipment and of engineering

Solary is negotiable and the benefits package attractive. Career development prospects are excellent. Location is a pleasant part of the South East.

Candidates please write, in confidence, giving details of age, qualifications, experience and present earnings quoting Ref. 1030. No information will be divulged to our client without your

CB-Linnell Limited

7 College Street, Nottingham NG1 5AQ. SEARCH & SELECTION CONSULTANTS NOTTINGHAM · LONDON

GROUP CHIEF ACCOUNTANT -FINANCIAL DIRECTOR NEW FOREST, HAMPSHIRE

Privately owned successful manufacturing company frenchising the supply and application of its products nationwide requires Chartared Accountant with general management exparience to take control of the compeny's financial accounts and forward financial planning laading to USM or full flotation in

There are several companies within the group and tha successful applicant must be ambitious and have the necessary background and leadership qualities to take control of the financial aspect of the companies whilst playing a major role in the management team.

This position will be suited to a person already holding a senior position, between the age of 35 and 45. It will attract a substantial salary and profit sharing schema.

Write in complate confidence enclosing C.V. and preferebly a photograph, marked Private and Confidential:-

Box A0921, Financial Times. 10 Cannon Street London EC4P 4BY

APPOINTMENTS ADVERTISING

Appears every Wednesday and Thursday

City £35,000+benefits+car

Our client is a Lloyds broking company within a well established City based group, which has diversified insurance and financial services operations.

The initial responsibilities of the post will include the coordination of accounting activities to report stage, actively monitoring the day-to-day procedures and controls of the firm. The incumbent will also be responsible for advising the Board on the interpretation of accounts, and for financial issues affecting acquisitions, capital reconstruction and I.B.R.C. applications.

It is envisaged that the successful applicant would assume, in due course, directorship duties for the whole group.

Candidates should be qualified accountants aged herween 35 and 40; having previous accounting experience within the er/388/Eto insurance sector. In addition to recognised accounting

Ernst & Whinney

Management Consultants

Becket House, 1 Lambeth Palace Road, London SE (7EU.

Financial Accountant

A key role in broadcasting communications Central London c£30,000 + Bonus + Car

The company, formed by a consortium of leading public companies and communications groups, is at the forefront of broadcasting developments. It is currently implementing strategies for growth which will give it a dominant position in its market and a new position has been created to assist this process by helping develop the necessary financial infrastructure.

The role will be exacting and challenging. Working closely with the Financial Controller you will be developing appropriate financial

systems and controls to cope with the massive envisaged growth, preparing financial accounts and developing the management information process.

You will be a graduate chartered accountant, ideally aged in your late twenties/early thirties, having gained 'hands on' financial accounting experience in a progressive, commercial environment. Experience in a start-up or in assisting a company prepare for flotation with a working knowledge of all Stock Exchange requirements is essential. Above all we are

looking for an exceptionally able accountant who can remain positive, clear thinking and innovative in a rapidly expanding, fast moving environment

Please write in confidence enclosing a full CV and salary details quoting reference MCS/2018 to Christopher Bainton at: **Executive Selection Division** Price Waterhouse Management Consultants No. 1 London Bridge London SE19QL

Price Waterhouse



BLUE CHIP OPPORTUNITIES WITH TOP BRITISH COMPANY

NORTHERN HOME COUNTIES

c£30000 (including Car)

PRIVATE AND* Forward planning coupled with the need to preserve confidentiality prior CONFIDENTIAL to several very important business ventures means that our client's identity cannot be revealed at this point in time.

THE COMPANY

- * A household name company which forms an integral part of an internationally famous British Group.
- * A recognised leader in a highly dynamic and competitive market place; turnover

TWO SENIOR **POSITIONS**

- * FINANCIAL CONTROLLER of a newly formed subsidiary. Responsibilties are self-* SENIOR FINANCE MANAGER - analytical skills and commercial awareness are as
- important as business acumen in this new appointment. * Excellent career opportunities and big company benefits in addition to the package

ONLY APPLY IF

THE REWARDS

- * You genuinely wish to accelerate your career ambitions and if
- * Your track record clearly shows a high level of achievement as both a manager and as an accountant.

ALL ENQUIRIES WILL BE ACKNOWLEDGED PROMPTLY AND WILL, OF COURSE, BE TREATED IN THE STRICTEST CONFIDENCE. CVS, WHICH SHOULD INCLUDE CURRENT SALARY TO:

BOX A0919, FINANCIAL TIMES, 10 CANNON STREET, LONDON, EC4P 4BY

UNIQUE **PROSPECTS**

RECRUITMENT CONSULTANCY MANAGER -INDUSTRY/ COMMERCE

Very substantial base salary Quality car Generous profit share **Directorship prospects Equity potential**

...can only exist within a company able to harness fully an individual's experience and potential at a specific moment in time. We are just such a company with the reputation, resources and commitment to armin ambitious corporate goals.

As an integral part of our current business plan, we seek a mature professional, probably aged 28-33, with an impressive track record and substantial management experience in accountancy recruitment consultancy. Intellect and commercial/marketing skills are essential, as are a participative management style and outstanding personal motivation.

Initially, you will take profit responsibility for the management and expansion of an established team handling senior level appointments. Later, you will be instrumental in establishing a regional focus for the Company in the South East generally; this will entail, inter alia, setting up new offices. You will also be expected, from the outset, to participate actively in the Company's management team, which determines both policy and strategy.

We think this a unique opportunity, whether viewed in the context of your present environment or elsewhere. If you are inclined to agree, please telephone me, John Constable, Director, on 01-549 5519 (evenings/weekends) for a mutual exchange of information. Naturally, absolute confidentiality is guaranteed.

RECRUITMENT SELECTION & ADVERTISING

EXECUTIVE CONNECTIONS

43 Eagle Street London WC1R 4APTel: 01-242 8103 **APPOINTMENTS**

ADVERTISING

For further information cell 01-248 8000

> **Tessa Taylor** ext 3351

Deirdre Venables ext 4177

Paul Maravigila ext 4676

Elizabeth Rowan

ext 3456

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A rare opportunity to join a major financial force in a highly visible role. This US bank has reported record profits for the first quarter of 1988, and has an established record of earnings growth. It offers a broad range of products including merchant banking, specialised financial services, corporate finance, commercial banking and international stockbroking services. The Company is in a strong position and well poised to take full advantage of prevailing market conditions.

This high profile position carries full directorial responsibility for overall operational and technical audits in Europe and the Far East. The nature of the role requires liaison with the highest levels of management throughout the organisation in order to advise on maners of security and control, and discuss strategic developments. The travel content is likely to be 25-30% in order to provide the basis of effective relations with the management of audited areas, and to effectively administer audit activities.

Suitable candidates will understand the appropriate measure of tact, diplomacy and positive aggression to be utilised in each given situation. A proven managerial record over 4 years in an international merchant banking or stockbroking environment, an Intelligent and original approach as well as a lucid thought process are necessary qualifications. Aged to 40, and possessing an ACA. Only candidates offering the highest calibre of all requirements

To discuss this position in further detail, contact Harsa Savjani on 01-629 4463, alternatively write to her at the address below quoting Ref HS124.

HARRISON # WILLIS

FINANCIAL RECRUITMENT CONSULTANTS

Cardinal House, 39-40 Albemarle St., London WTX 3FD. Tel: 01-629 4463.

Financia
Director
(and Compan
Secretary)

Circa £20,000
plus a car
and generous relocation packa Financial (and Company Secretary)

and generous relocation package

Following the restructure of the Administration and Finance Division. there will soon be a vacancy for a Financial Director who will also take on the duties of Company Secretary, in this substantial Bus and Leisure Travel

Reporting to the Managing Director, the successful applicant will be part of a progressive management team. Responsibilities in this challenging position will include linancial and administrative functions, advising on existing business and planning for possible diversification. We would expect applicants to be qualified accountants, (ACA, ACCA,

ACMA, CIPFA) and to display corporate management skills, self motivation, the ability to work to tight deadlines, and ideally, experience in either the Public Passenger Transport Industry or similar service environment.

The City of Hull itself, is undergoing a dramatic renaissance as a result of considerable investment. New businesses are relocating to the area, an excribing programme of redevelopment is underway, with a spectacular Marina and pedestrianisation of the inner shopping zone already completed. Housing and living costs are comparatively low, and the surrounding coast and countryside offers a wide scope of lessure pursuits. This could be the backdrop to a stimulating and rewarding career.

Apply in writing to: Mr K J Bastow, Managing Director, Kingston-upon-Hull City Transport Limited, Lombard Street, Hull HU2 8QN.

KHCT Kingston upon Hull City Transport Ltd. Scruting the community

Commercial Director

(Media & Communications)

Central London

to £40,000 + Car

This successful group of companies which specialises in selling advertising on behalf of press and broadcasting media on a national basis, seeks a Commercial Director with strong management skills to instil sound financial and management controls, and head further business development

Reporting to the Chairman, you will be responsible for business planning, systems development, management information, statutory accounting, and will play an active role in acquisitions and strategic issues.

Candidates, aged between 28 and 40, who are qualified Accountants and can demonstrate strong commercial

awareness, general managerial skills and sound technical skills, are invited to apply. The ability to function at a strategic level in a fast moving environment is as important as being able to apply practical skills at an operational level.

The remuneration package and career prospects will not be a problem for candidates with flair, and will include an executive car and non-contributory pension scheme.

Interested candidates should write to Andrew Sales. FCCA, enclosing a comprehensive curriculum vitae, details of current remuneration and a daytime telephone number, quoting reference LM043 at Spicers Executive Selection. 13 Bruton Street, London W1X7AH.



SPICERS EXECUTIVE SELECTION MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

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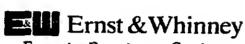
LLOYDS REINSURANCE BROKER

City from £45,000 + car + bonus

Our client, a well established and successful international reinsurance broking group, requires a finance director for its main operating subsidiary. Opportunities for promotion to a group position are expected to arise during the next five years.

Initially, the task is to provide a wide ranging financial management service combined with a full company secretarial service to the UK company, reporting to the group finance director. Computer systems are under separate management but the finance director will be responsible for their development within the finance sector.

Applicants for this position must be chartered accountants, probably in their late 30's, with experience to at least surance ge is offered assonal and career witzon quoting



Executive Recruitment Service Becker House, 1 Lambeth Palace Road, London SE1 7EU.

ACCOUNTANCY

APPOINTMENTS

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10 & 11

Group Financial Controller

Kent

£35,000 + exec car Our client is a rapidly expanding pic with operations in the UK, USA and Canada. Over the last few years its strategy has been to acquire companies in related businesses and it now manufactures a This key position demands a commercial, forwardlooking approach coupled with strong technical skills. The incumbent must have a good

related businesses and it now manufactures a comprehensive range of specialist defence equipment. With a turnover of over £100m, much of which is exported, it is now well placed to increase its markets in Europe, the Middle East and Far East. Following an internal promotion a strong Group Financial Controller is required to manage the central finance and accounting function. The role will involve systems enhancement and development to keep ahead of the company's rapid growth; investigation of potential acquisitions; and tuli responsibility for the group treasury function. The Group Financial Controller will also be responsible for the co-ordination of all group accounting and management information and will report to the Group Financial Director.

understanding of consolidations, group budgeting and reporting and computerised management information systems. Candidates must have well developed interpersonal skills in order to be a credible representative of the group finance function.

A salary of around £35,000 is offered together with an executive car, non-contributory pension and private medical insurance. Share options could be made available in due course. Relocation expenses would be paid if necessary

Please write in confidence to Jane Woodward, at the address below, enclosing full career details and quoting reference SHA. 1127.

Stoy Hayward Associates

MANAGEMENT CONSULTANTS, EXECUTIVE SELECTION DIVISION, 8 BAKER STREET, LONDON W1M 1DA

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toe package (up to DM 190,000 p.a.) and the career on

opination - in English or Cerman - ter PMM MANAGEMENT CONSULTANTS GMBH Cross Gallustrans 10-14, D-6000 Frankfurt 1 Tel: (604) 21 64 308

The Leeds Castle Foundation

a charitable organisation, which owns Leeds Castle, Maidstone, Kent, a premier conference centre and third most visited stately home in England, with supporting service outlets, invites applications for the post of

FINANCIAL CONTROLLER

The successful candidate will be a Chartered Accountant and have at least five years experience at management level, preferably associated with the botelyleisure/retail sectors. He/she will report to the Managing Director of Leeds Castle, and will have responsibility for the total finance function. The job will be based in Leeds Castle. Experience in computerised accounting is required. Impectable references are essential.

Remuneration will be based on individual suitability and experience, but will be commensurate with the seniority of the position and not less than £25,000 per annum.

Application, with Curriculum Vitae in strictest confidence, to:

Graham Jackson, Managing Director, Leeds Castle Enterprises Ltd, Leeds Castle, Maidstone, Kent ME17 IPL





Qualified or possibly part qualified professional to be fully responsible for all Accounting, Client Reporting, Internal and Administrative matters of a Portfolio Management company engaged in Global Asset Management. Good working knowledge of computerised systems and reporting required. The ideal candidate will play a key role within a small team.

Salary and benefits in the region of £20,000 plus performance bonus. London, Mayfair location.

Please reply to Box A0920, Financial Times. 10 Caunon Street. London EC4P 4BY enclosing curriculum vitae.

Accountant

LONDON Up to £30,000

Our client is a wholly-owned UK subsidiary of a long-established Japanese company trading in a diversified range of goods and services on a worldwide basis. The company is now seeking a qualified accountant to take up the post of Assistant Manager in the General Accounting Department. Responsibilities will include divisional accounting for a number of trading activities, management reporting and advising affiliated companies in relation to accounting and taxation matters.

The selected candidate will hold a recognised qualification in accountancy and will have sound knowledge of international trade and corporate taxation. Ideally he/she will have gained hands-on experience within a trading company. The ability to adopt a flexible, shirt-sleeves approach is essential.

Please send a comprehensive career resume including salary history and daytime telephone number, quoting reference 2939 to Philip Nourse, Executive Selection

△ Touche Koss

Thavies Inn House, 3/4 Holborn Circus, London ECIN 2HB. Telephone: 01-353 7361;

A STRATEGIC ROLE IN **FINANCIAL SYSTEMS** AND PLANNING

East Midlands

to £23,000 + car

A major division of an internationally renowned plc, our client is a subsidiary of one of Europe's largest textile groupings. In pursuit of excellence, their business focus is to maximise competitive advantage and, hence, profitability. As an integral part of this process, they have recognised the need to develop new and sophisticated financial systems to keep pace with the growth in current operations, and to improve the quality of management information.

A new role has been established to spearhead this important programme. The prime objective is to make a significant contribution to improving levels of service. You will provide a crucial link in communicating systems changes throughout a complex organisation, and ensuring that they are supported by a comprehensive training plan.

Success requires a personable, computer-literate, qualified accountant with the tenacity to achieve results in this fastmoving environment. With the ability to communicate and implement new ideas, you will provide a powerful personal input to systems development.

The breadth of involvement and seniority of your contacts will provide an excellent preparation for future promotion.



Please contact Lawrence Barnett quoting ref no. B175.

Eagle Buildings, 64 Cross Street. Manchester M2 4JQ Tel: 061-834 0618

- Entrepreneurial client base
- Highest quality training and technical standards
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TORONTO CANADA

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Visiting Partners from a highly prestigious national practice in Canada, listed as the only C.A. firm in "100 best companies to work for in Canada", will be visiting the U.K. on the 7th/8th July to interview at our offices.

Individuals should possess up to 5 years post qualification experience in Public Practice and be committed to providing comprehensive audit, accounting and tax services to a full range of clients. Application, ability to work under pressure and the will to

succeed are important individual characteristics. For further information please telephone

Gary Johnson or Geraint Evans on 018369501 (24 hours) or contact your nearest office.



Group Financial Controller

> **Home Counties** c £30,000 + Bonus + Car

This is a key senior appointment with a large and successful £140m turnover group involved in a variety of construction, civil engineering and quarrying activities throughout the UK. In order to assist with future planned growth and expansion, they are now looking to appoint a Group Financial Controller to play an important role as part of the small central management team.

The job holder will assume overall responsibility for the control of the accounting function at the Group head office. Working closely with the Group Financial Director, you will ensure that the necessary financial monitoring and control systems operate effectively in order to advise senior management of important financial or operational issues. Specific duties will include the preparation of statutory accounts; consolidation and preparation of monthly accounts; budgeting and forecasting; investment appraisal; treasury and banking; and

Candidates aged in their early 30s should be qualified accountants with a broad range of financial and management accounting experience, ideally gained in a line accounting role. Experience in a contracting or project management environment and familiarity with computerised accounting packages will also be required. Equally important will be the flexibility, ability and personality to work under pressure as part of a team.

The attractive remuneration package will include a company car, private health insurance, and relocation assistance, where appropriate. Applicants should write in confidence to Stephen Bailey, P-E Inbucon Ltd, Executive Search and Selection Division, 692 Warwick Road, Solihull, West Midlands, B91 3DX with a comprehensive CV, or telephone 021-704 2212 for an Application Form quoting Ref. B2172.

·E Inbucon

Financial Controller

Career opportunity with fast growing PLC

c £23,000 plus car and benefits SW London

A dynamic and fast growing property development company operating rnainly in the South East, our client wishes to recruit an equally dynamic Financial Controller to develop and

grow their accounts department. Reporting to the Commercial Director (main board member) the

Financial Controller will be responsible

for further refining control and

monitoring systems for all the company's activities. A good working knowledge of computerised systems is essential as are well developed management and negotiating skills.

This is a growing role, ideally suited to a young (26-30 year old) graduate chartered accountant who seeks challenge and involvement at a grass roots level coupled with prospects of

further rapid career advancement. Those interested should write enclosing a full CV stating current salary and benefits and quoting reference MCS/1049 to: Michael Madgwick **Executive Selection Division** Price Waterhouse Management Consultants No. 1 London Bridge

Price Waterhouse



Established Sussex Coast Business Financial Controller **Board Potential**

This well established and successful subcontractor and manufacturer with an £8m turnover has developed rapidly to become a market leader in its field and now employs nearly 300 staff. Operating from its Head Office in Sussex and from the West Midlands, it now seeks to appoint a Group Financial Controller to join the senior management team.

Reporting directly to the M.D. and supported by a small accounts team, you will have total responsibility for all accounting and administrative functions for the three group companies, including the development of computer based management information systems. You will expect and be encouraged to play an active role in the general management and future development of the business.

London SE1.9QL

A qualified accountant, probably in your mid 30's, you already have good industrial experience and have previously developed computer systems. You will have excellent communication skills, a keen commercial awareness and will be excited by the prospect of influencing policy at the highest level. A competitive salary is supported by a range of executive level benefits. Prospects for promotion to the Board will depend upon success in the post. To apply, please write in the strictest of confidence to Harold Jones, Cripps, Sears & Partners, International Buildings, 71 Kingsway, London, WC2B 6ST.

SECTION II - COMPANIES AND MARKETS

FINANCIALTIMES

Thursday June 16 1988



Bank of New York raises Irving Bank bid to \$1.4bn

BANK OF NEW YORK yesterday ity stake in Irving was to retain and \$75.07, depending on the pay

nies, no end appeared to be in sight in the gruefling nine-month battle over the future of Irving.

Irving's only response to the complicated new offer, which special dividend of \$2.50 a share BNY valued at \$76.53 a share or a just before its takeover is complicated new offer. total of \$1.4bn, was to say that pleted and to issue warrants the board would consider it at its which will be worth up to \$2.50 a next scheduled meeting next share, based on the gain realised Thursday. Banca Commerciale from selling Irving's headquar-Italiana, the second-largest state ters building at Number One,

forced to match BNY's offer if its this BNY share price, the new complex legal manoeuvres as by friendly proposal to buy a major offer was worth between \$72.57 the sums of money on the table.

Hay Davison to

Credit Lyonnais

By David Lascelles in London

MR Ian Hay Davison, former chief executive of Lloyd's of Lon-

don, has been appointed chairman of CI-Alexanders Laing & Cruickshank, the London investment banking arm of Crédit Lyonnais, the French bank.

Mr Hay Davison, who has just

completed a seven-month inquiry into the Hong Kong stock exchange will take up his posi-

Mr Jean-Maxime Lévêque, the

chairman of Crédit Lyonnais,

said in Paris: "We are all delighted Mr Hay Davison has

accepted this appointment. His

arrival will be a very considerable asset to the group."

Mr Davison succeeds Mr John

Barkshire who agreed to stay on temporarily as chairman.

tion on September 1.

head unit of

increased by about 10 per cent any credibility with shareholders. the value of its takeover bid for Yesterday's new bid from BNY Irving Bank, its large Wall Street consisted of four separate payments. The bank is proposing to But after a seemingly inconclu-sive 40-minute meeting between 1.675 shares of BNY (compared the chairmen of the two compa-with its previous offer of 1.575

talian bank which emerged as a white knight to counter BNY's hostile bid, had no comment.

However, arbitrageurs on Wall new bid was announced, while Street believed that BCI might be BNY declined by \$% to \$32%. At this believed that BCI might be BNY declined by \$% to \$32%.

out from the Number One Wall Street sale. BNY's previous offer would have been worth \$66.78.

The rival bid from BCi is equally complex and even harder to evaluate. BCI is offering to buy 51 per cent of Irving for \$80 a share in cash and then pay a special dividend of \$10

Wall Street analysts have put the value of this proposal at any-thing from \$60 to \$73, depending on what price is assumed for the outstanding 49 per cent of Irving and how much of a discount is factored in for the time BCI will require to complete regulatory

Neither BCI nor Irving appeared to be in any burry to respond to BNY's new offer because the outcome of the battle will be determined as much by

Ottawa reconsiders reform to trust law

BY DOREST GIBRENS IN MONTREAL

proposed regulations for trust company ownership.

Mr Tom Hockin, Minister of

State for Finance, said the Gov-ernment's new Trust and Loan Companies Act, expected to be tabled this week, would be delayed until mid-July or much later. The four Western provinces are now supporting Quebec in opposing certain parts of the

Ottawa wants to apply strict ownership rules on federally incorporated trust companies where they are controlled by financial conglomerates which have commercial or industrial affiliates. It aims at avoiding conflicts of interest or "self-dealing." Hong Kong time humb, Page 20 | The majority ownership of tered

CANADA'S Federal Government Canada Trustco by Imasco, of has given in to pressure from Royal TrustCo by Trilon Finan-Quebec and is reconsidering its cial and the Brascan industrial group, and of Montreal Trust indirectly by Power Corporation of Canada, are example

Quebec and the other provinces want to allow unrestricted ownership of trust companies by such conglomerates as part of financial services deregulation. They say diversion of trust com-pany deposits to finance the con-glomerates' other activities is nothing more than a supervisory

Three-quarters of the country's trust companies are provincially chartered, but 80 per cent of their assets come under federal regulation because the few really large companies are federally char-

Clore stages final exit as head of

KaiserTech

MR ALAN CLORE'S Ill-fated involvement in the US alumin-lum industry ended yesterday when the British financier, son of the late Sir Charles Clore, resigned as chairman of KaiserTech.

Mr Clore sold his holdings in KaiserTech, the West Coast concern known formerly as Kaiser Aluminum, to Maxxam Group, a subsidiary of MCO Holdings.

He had obtained a major stake in the company last year and assumed the chairmanship of the company. He was forced to sell some of his stock, however, after losses in last Octo-ber's stock market crash.

The company signed a definitive merger agreement with Maxxam last month after a bitter battle between Mr Clore, who attempted to nominate Maxxem representatives to the KaiserTech board, and Kaiser-Tech managers, who aimed to gain control of the company through a leveraged buyout

The investment group agreed to pay about \$850m for about 36m shares in Kaiser-

Maxxam already held a 16 per cent stake in the company, which it acquired from Mr Clore and his creditors earlier

KaiserTech said yesterday that Mr Clore had resigned as chairman and as a director following the sale of the remain-der of his stockholdings. Another director, Mr Guy Chabanetz, an associate of Mr Clore, had also resigned.

Mr Barry Munitz, vice chairman of MCO Holdings and Mr C.V. Wood Jr, assistant to the chairman of Lorimar Telepictures, have been elected to suc-ceed Mr Clore and Mr de Chabaneix on the KaiserTech board. The board, however, has not selected a chairman.

Maggie Urry looks at a Swedish company on its 700th birthday

Stora remembers its ancient roots

"A COMPANY which has already existed 700 years has a better mine and later its iron and steel chance than others to make another 700." So says Mr Bo Berg- 17th century. gren, president and chief execu-tive officer of Stora, which today celebrates the 700th anniversary of the first documented purchase

Västeras, bought a one-eighth share in the company in exchange for an extensive estate. he was taking a stake in Stora Kopparberget – the great copper mountain – at Falun, in central

It was already a thriving cop-per mine, and some archaeological evidence suggests that copper was produced there 200 years or more before the 1288 share transaction. Today's celebrations car-tre on a meeting of more than 6,000 shareholders, as well as guests including tha King and Queen of Sweden, at the bottom of the "great pit," which is open to the air.

forest products groups in Swe-den, it originally took huge forest Berggren wanted to buy some-

In the 19th century wood was replaced both in the mines and iron and steel business, and Stora moved into first sawmills and of a share in the company. Stora then pulp and paper-making to claims to be the world's longest established company in which shares can be traded.

When the local bishop, Peter of The company's history has

changed from evolution to revolution in recent years. The steel interests were sold in the 1970s, and since Mr Berggren took charge in 1984 there have been three major acquisitions: Billerud, Papyrus and, this year, Swedish Match.

He says the first two deals

were necessary for Stora to become correctly structured as a pulp and paper business, with the mills interrelated. Mr Berggren then felt the

group was mature enough to take on a new business. A sale and leaseback of the power business "gave us the financial resources to do what we wanted," he says. From those roots Stora has Pulp and paper is very capital become one of the three largest intensive, sensitive to business

Exactly 700 years ago when the local bishop bought a stake in a mining company in central Sweden he had no way of knowing that the company would survive until today. In those days the copper mine that comprised the company was a thriving opera-tion and today 6,000 share-holders in the company, one of Sweden's three largest forest groups, will meet to celebrate at the site of

the "great pit". thing that would counterbalance those characteristics - hence the purchase of Swedish Match for SKr5.9bn (\$972m), which will take Stora closer to the consumer. Swedish Match is a customer of Stora in the packaging and tim-ber areas, but it adds products every bouse in the area and such as Wilkinson Sword's shav-many beyond. ing equipment to the portfolio and also strengthens Stora's pres-

ence in the European Community

and around the world, an impor-tant consideration given the reladomestic economy.

had 48 per cent of sales. After Swedish Match that is down to 10 per cent, and a much more stable 10 per cent at that," Mr Berggren

As for the next 700 years, he says, he cannot tell what Stora will be doing. The pace with which the world is developing is such it is even difficult to tell what we will be doing in 70 years

The mine, which once supplied two-thirds of Europe's copper, is now of small importance to the company in financial terms. although, as Mr Berggren says, "it's a tremendous asset from another point of view - a source of inspiration.

Even away from Falun the mine cannot be forgotten because a shade of paint, called Falun red, made as a by product of spoil

When Mr Berggren became president ore reserves were running out. He recalls that he ordered the mine management to tant consideration given the rela-tively small size of Sweden's and production started earlier this year. Mr Berggren says: "I in 1983 pulp and sawn timber, will not be the president of Stora the really cyclical parts of Stora, who closes that mine."

American Stores gloomy

BY OUR NEW YORK STAFF

depressed for the remainder of this year because of the cost of financing the deal, the company

Mr L.S. Skaggs, chairman, told the annual meeting in Salt Lake City that the \$2.5bn the company borrowed to finance the takeover would take its toll. "The interest expense is sizeable and while I can't be specific at this time, I can tell you I expect earnings to be dramatically reduced for the

remainder of 1988." For its previous full fiscal year ended January 31, American reported net profit of \$146.6m, or \$3.94 a share. It earned \$2.04 a

PROFITS at American Stores, the share in the second half. Profits largest US supermarket chain fol- for this year's first quarter ended lowing its recent \$2.5bn takeover April 30 slipped to \$27.1m, or 69 of Lucky Stores, will be severely cents a share, from \$35m, or 92 cents a year earlier. Mr Skaggs said he and Mr John

Lillie, who previously beaded Lucky, remain convinced of the "significant synergism and savings" from the takeover. After vigorously fighting the hid by, for example, trying to wheeled loaders. It has arrange a leveraged buyout, Mr year of £30m (\$53.4m). Lillie accepted the role of bring-ing Lucky's low-price strategy to American's Alpha Beta division.

"We have chosen to operate the company not for short-term gain but rather for the good of our

Aveling Barford for sale

ing the company's failure to stem Daewoo of Korea has indicated losses during a long period of that it would like a production

The company employs 820 peoroad rollers, motor graders and manufacturing some wheeled loaders. It had sales last products under licence.

said the company would continue trading. The intention was to sell it as a going concern.

day to Aveling Barford, one of machinery industry was arranged by the Aveling Barford, one of buyer, probably Japanese or Britain's oldest manufacturers of buyer, probably Japanese or South Korean, would be found. site in Europe while Kawasaki of Japan recently negotiated a joint ple and makes a range of equip-venture with Aveling under ment including dnmp trucks, which the British company is manufacturing some Kawasaki

Aveling, which only seven Mr John Talbot of accountants years ago employed 2,000 people. Arthur Andersen, appointed as is believed to have made a loss of receivers by Aveling's bankers. Sam in 1986 following a profit of £400,000 the previous year. Its management expressed the hope but rather for the good of our it as a going concern.

Several companies yesterday

Mr Skaggs said. He expects professed interest in purchasing its to begin to recover next year. some or all of Aveling. The miningement expressed in hope early last year that it would be back in the black in 1987.

This did not happen despite a buoyant domestic market.

CONSOLIDATED ACCOUNTS



INTERNATIONAL BANKERS INCORPORATED S.A. AND SUBSIDIARIES

FINANCIAL HIGHLIGHTS 1987

Consolidated Balance Sheet (in million US\$)	1987	1986
Deposits with banks	195.8	182.7
Loans and Advances	1,176.9	540.3
Securities Portfolio	39.8	34.0
Total Assets	1,539.6	822.2
Bank Deposits	690.7	308.7
Customer Deposits	581.8	355.9
Capital Resources (including Minority Interest)	177.5	123.9
Of which:		
Share Capital and Subordinated Debt	129.5	100.0

The figures of International Bankers France are included for the first time within the consolidated accounts of International Bankers Incorporated S.A.

The consolidated after tax profit for 1987 amounted to \$ 6.9 M.

Copies of complete consolidated financial statements and annual report can be obtained on application to the operations manager in Luxembourg.



INTERNATIONAL BANKERS INCORPORATED S.A.

GROUP

Incorporated S.A. 41, boulevard du Prince Henri L-1724 Lexembourg

IB! Asia Holding Ltd. 2705 Alexandra House Chater Road Central, Hong Kong

International Bankers (France) S.A. 8, Place d'Iéma F-75116 Paris

IRI Finance (UK) PLC. City Tower 40 Basinghall Street GB-London EC2V 5DE SAMUEL MONTAGU & CO. LIMITED

This aunouncement appears us a matter of record only.

Acted as Adviser to

HOLDERBANK FINANCIERE GLARIS LTD **SWITZERLAND**

and

APASCO

APASCO SA de CV

and subsidiaries **MEXICO**

with respect to

US\$47 million Debt Equity Conversion **US\$138** million Debt Restructuring **US\$46** million Medium Term Financing US\$46 million Enhanced Euro-commercial Paper Programme



Samuel Montagu & Co. Limited 10 Lower Thames Street LONDON EC3R 6AE

INTERNATIONAL COMPANIES AND FINANCE

Sceptics question the Government's will to introduce changes urged by Hay Davison, writes Kevin Hamlin

Hong Kong authorities juggle with reform time bomb

JUST TWO weeks AD — after Davison — Hong Kong's securities industry remains in vigorous debate about the merits of wideranging proposals for reform while waiting to see how much, and how fast, these are put into effect.

increasing danger that reforms will be watered down and that international investors will become even more disfilusioned than they already are with Hong Kong.

Mr Hay Devison said the

Mr Ian Hay Davison, whose government-appointed committee delivered its report with an emphatic message thet fast implementation was imperative to restore international investor confidence in Hong Kong, has left the colonial authorities holding a time bomb. time bomb.

The extraordinary four-day closure of the stock exchange and the HK\$2bn (US\$256.4m) collapse October hrought disrepute and only that legislation could be ridicule on Hong Kong's securities markets.

Mr Hay Davison was subsequently hired to head a commit-tee mandated to recommend reforms for the territory's securi-ties markete and regulatory

Hone Kone must show a sense of urgency. Confidence is on the local broway to being restored, but our held swa report shows people around the operation world were very troubled by thinking. what happened here," the former chief executive of the Lloyd's of London insurance market stated emphatically after the release of the report e fortnight ago.

But international securities houses, almost euphoric et the sweeping recommendations for ration has insufficient political vill to speed through the proposed changes.

As time passes, they see an it's about to race at it. We want the momentum kept up."

Local hrokers, stung hy Mr practice largely ignored in the Hay Davison's pronouncement that members of their fraternity ment. reform, fear the colonial adminis-tration has insufficient political will to speed through the pro-

to draw up e masterplan for its

Payment of Dividend

nominal egainst presentation of Coupon No. 51.

from whom appropriete claim forms can be obtained.

Coupons should be lodged with:-

an affidavit.

Mr Hay Devison said the recasting of the stock exchange committee – to give representation to co-opted lay members as well as to corporate members, the
large and mainly foreign institutions which account for almost 60
per cent of daily market turnover
- should be completed during

But Mr David Nendick, Secretary for Monetary Affairs, says the Government will not indicate its intended course of action until

The exchange has, meanwhile, indicated that changes imposed by force on its members would not bode well for Hong Kong's future self-regulatory market.

It clearly hopes it can encourauthorities.

This he did with e warning that delayed implementation could be fatal for the development of the territory's securities age the 75 per cent support of its members needed in a vote on the proposals made by Mr Hay Davison's committee, thus sidestepping the need for legislation.

Some foreign brokers, noting that membership is dominated by local brokers who in the past held sway over the exchange's operations, feel that is wishful

Foreign houses are already growing impatient for action. Mr Peter Lord, managing director of the London-based Hoars Govett, says: "Hay Davison indicated some changes should be imple-mented almost immediately, but the Government hasn't indicated

Malaysian sell-off plan to be drawn up

THE MALAYSIAN Government easier to implement, a list of pro-include a rapid transport system yesterday commissioned Schrod-jects suitable for sale over the for Kuala Lumpur, government ers, the British merchant bank, next 10 years, and five privatisa-security printing, telecommuni-

NOTICE IS HEREBY GIVEN to shereholdars that following e resolution pessed at the Annual General Meeting of shareholders hald on 15th Juna, 1988 e Dividend for the year ended 31st

All payments will be subject to e deduction of German Capital Yields Tax at 25%.

Coupons will be paid at the rate of exchange on the day of presentation.

December, 1987 will be paid, es from 16th Juna, 1988 at the rate of DM. 12.00 per shere of DM. 50

S.G. WARBURG & CO. LTD.

United Kingdom Income Tax will be deducted at the rate of 10% unless cleims ere accompanied by

German Capitel Yields Tax deducted in excess of 15% is recoverable by United Kingdom residents. The Company's United Kingdom Paying Agent will, upon request, provide shareholders or their agants with the eppropriete form for such recovary.

Paying Agency, 6th Floor, 1 Finsbury Avenua.

London EC2M 2PA

Hong Kong Stock Market Turnover Contribution by
Corporate Members Contribution by Individual Members

had in the past run the stock exchange as a private cluh, remain unconvinced that wholesale changes are necessary.

Mr Henry Wu, chairman of the
Hong Kong Stockbrokers Association, summarises the views of many. "The report is too idealistic, it tells you that you should have a dream boat, a dream car or dream girl, but it doesn't tell the three-day settlement together you how to get that dream with the introduction of stock lending and the creation of settlement.

1986 Ses Review Co

yon how to get that dream thing."

Mr Hay Davison will not be surprised at opposition to his recommendations. He described Hong Kong as a place "absolutely stuffed with vested interests," and anticipated the emergence of e power struggle to block the implementation of various reforms. His view was that the going to be compared to the struggle of th Government must sweep these

factions aside. The committee termed the exchange's settlement system "one of the most controversial" issues it had to deal with. It rec-

SCHERING

Schering Aktiengesellschaft Berlin end Bergkamen

Schering Aktiengesellschaft

The committee's report, anticipating this opposition, said local brokers, who violently oppose extending settlements, and foreign houses, which need five to seven days comfortably to conclude international trades that may originate from different time zones.

lending and the creation of a stock exchange-sponsored central

That has not appeased everyone.

That has not appeased everyone.

According to Mr Richard Margolis, managing director of corporate finance at Smith New Court, another UK stockhroker: "It's going to be virtually impossible to get e smoothly operating system of stock borrowing running in the near future, whereas e five-day settlement aystem, which would probably cover 90 per cent of trades, could be done quite quickly."

Foreign brokers see stock bor-

of international trading if three clearing house acting as a central dog if yo day settlement is introduced, and risk-taker - that so concern local yourself.

back by

suggest the Government should prevent such a situation arising. For the regular settlement of trades, stock borrowing should be the exception rather than the rule," says Mr Margolis.

Local brokers, who are nervous of greater counterparty risk caused by an extension of 24-hour settlements, also suggest Mr Hay Davison should have avoided this

Mr Wn says the stockbrokers association will be proposing "some other ideas" to the exchange which he hopes will prevent a move away from the current 24-hour settlement project.

with local stockbrokers.

It is this that probably prompted Mr Hay Davison to opt for the three-day route.

While a formal submission from international brokers to Mr

quite quickly."

Foreign brokers see stock borrowing becoming a routine part

years away, will reduce problems
of counterparty exposure —
rowing becoming a routine part
because the committee sees the

make three-day settlements of international trades more feasi-

While interested lobbies beaver away behind the scenes, the fact that the most controversial pro-posal for reform – reconstituting the stock exchange committee – can in theory be implemented fairly swiftly means the financial community will soon know how determined the colonial administration is to sweep its past errors into the kintern book.

into the history book.

"We will see comparatively quickly whether these lobbles are gaining ground," says the head of one international stockbroker.

Mr Richard Witts, managing director of Schroder Securities, adds: "It would be a very early sign of faith, an almighty quantum leap forward, if the commit-tea element at the stock exchange was implemented

Doubts still linger ebout the commitment to reform of a Gov-ernment so roundly condemned by Mr Hay Davison's committee as ignorant of the workings of

International stockbrokers remember all too vividly that the Government's past record as a supervisor and reformer of financial markets, as pointed out by Mr Hay Davison's committee, is far from impeccable.

Ironically, it may be the Government's past fallings that ultimately ensure action.

As the head of another interna-

tional broking firm puts it: There is nobody in Government "There is nobody in Government who has a comprehensive enough overview of the market to produce an alternative plan. I think the Government will take the view that there is no point hiring an expensive and well-qualified dog if you then proceed to bark yourself."

preparation to shift her operating

large part of her corporate inter-

ests to Australia, reputedly spurred by the 1997 handover of the territory to China. She has apparently become disenchanted with Australia's high tax rates.

Mr Paul Keating, the federal

Treasurer, has just announced a reduction from July 1 of the Aus-

tralian corporate tax rate, from

base back to Hong Kong.

Financial Times Thursday June 16 1988

To the Holders of Warrants relating to

KYOWA HAKKO KOGYO CO., LTD. U.S. \$150,000,000

15% Guaranteed Notes Due 1992 with Warrants

NOTICE OF FREE DISTRIBUTION OF SHARES

ADJUSTMENT OF SUBSCRIPTION PRICE Pursuant to Clause 4 (A) and (B) of the Instrument dated June 16, 1987 under which the Warrants (the "Warrants") to subscribe for shares of Kyowa Hakko Kogyo Co., Ltd. (the "Company") were issued, you are hereby notified that a free distribution of shares of the Company at the rate of 0.14 share for each one share will be made to the shareholders of record as of June 30, 1988 (Tokyo Time). made to the shareholders of record as of the sol, 1985 to tokyo thinks.

As a result of such distribution, the Subscription Price at which ehares are issuable upon exercise of said Warrants will be adjusted pursuant to Condition 7 of the Warrants, from 2,194 Japanese Yen per ehare of common stock to 1,924.60 Japanese Yen per share of common stock, effective July 1, 1988 (Tokyo Time).

> THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY on behalf of: KYOWA HAKKO KOGYO CO., LTD.

Dated: June 16, 1988

Heron International Finance B.V. ECU 40,000,000 GUARANTEED FLOATING RATE NOTES 1984-1991

for the six months 16 June 1988

to 16 Dec 1988 - each note will carry an interest rate of 613 % per annum and a coupon amounting to ECU 346.30

LISTED ON THE LUXEMBOURG STOCK EXCHANGE BY: BANQUE INDOSUEZ AGENT BANK

CITICORP OVERSEAS FINANCE **CORPORATION N.V.**

U.S.\$100,000,000 Goaranteed Extendible Notes due July 18, 1994
Unconditionally guaranteed by

Notice is hereby given that pursuant to the Terms and Conditions of the Notes, a new Rate of Interest for the period July 18, 1988 to July 17, 1990 will be fixed by the Company and notice of the new Rate of Interest will be published on June 28, 1988.

By: Citibank, N.A. (CSSI Dept.), Principal Paying Agent June 16, 1988, Landon **CITIBANCO**



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Issue of

£150,000,000 914 per cent. Bonds Due 200

at an issue price of 96 per cent.

Notice is hereby given to holders of the above Bonds, issued 30% paid on December 1, 1987, that the balance of the issue price (66%) is due and payable on, and for value by, June 21, 1988.

Baring Brothers & Co., Limited 16 Jane, 1988

VESTLANDSBANKEN US\$5,000,000 **Subordinated Floating Rate Notes** Due 1992

For the six months, 15th June 1988 to 15th December 1988 the interest rate has been the interest rate has been fixed at 8% per annum. Interest payable on 15th December 1988 will be US\$20,333.33 per note of US\$500,000 denomination

Christiania Bank London Branch Agent Bank

Weekly net asset value **Tokyo Pacific Holdings** (Seaboard) N.V.

Listed on the Amsterdam Stock Exchange Information:

on 13/6/88 was US\$ 175.65

Pierson, Heldring & Pierson NV.

U.S. \$300,000,000



Crédit Lyonnais

Floating Rate Notes Due 1996 Tranche of U.S. \$200,000,000

Interest Rate

81/16% per annum

Interest Period

16th June 1988 Interest Amount per

U.S. \$10,000 Note due U.S. \$409.84 Credit Suisse First Boston Limited

Reference Agent

Linfin Corporation U.S. \$100,000,000

Collateralized Floating Rate Notes due 2001

For the period 14th June, 1988 to 14th December, 1988 the notes will carry an interest rate of 8% per annum with an interest amount of U.S. \$2,033.33 per U.S. \$50,000 nominal. The relevant interest payment date will be 14th December, 1988. Listed on the Luxembourg Stock Exchange

Bankers Trust Company, London

Agent Bank

tion prototypes. cations and hotels. Tan Sri Yahya Wahab, head of Critics say many incretive proto draw up e masterplan for its privatisation programme, which has attracted considerable political controversy in the past. The plan will include an assessment of disposals to date and the difficulties encountered, recommendations on changes needed to make the programme began four years ago. National Organisation, including the construction of the 3.4bn ringgit (US\$1.3bn) north-south pipeline. The nine projects AMATH, THE Sydney-based cigarette, food and beverage offshoot of the UK's BAT

Industries, managed only a 12.9 per cent rise in net earn-ings to A342.63m (USS34m) in the six months to April as the tobacco division, the compa-ny's traditional profit main-

franked under the Australian imputation system Revenue edged up from A\$1.06ba to A\$1.09ba in spite of the sale during the year of the company's half-share in

the Steggies poultry business.

The result would have been worse but for a cut in tax provision from A\$32.2m to A\$28.6m. Pre-tax earnings were up only marginally from A\$69.9m to A\$70.9m.

Amatil held tobacco side

By Our Sydney Correspon

siny, held back progress.

Directors said yesterday that
major marketing activities,
including new brand banches,
had affected tobacco earnings.
But they suggested this may reverse in the current half.

The company, 40 per cent
owned by the British parent, is

raising the interim dividend from 11.4 cents to 13 cents a share, which will be fully-

Sally Aw bids for full Cereus stake

BY BRUCE JACQUES IN SYDNEY

IISS SALLY AW Sian, the Tiger Balm beiress, yesterday launched e restructuring of her Austrae restructuring of her Austra-lian-Hong Kong corporate empire with a A\$56m (US\$44.7m) bid for full control of Cereus Australia, her antipodean flagship.

Through a family vehicle called Kargat, Miss Aw is bidding A\$4.38 cash for the 45 per cent of

Cereus she does not already own. The offer compares with the last sale price for Cereus shares of

A\$3.50.

Miss Aw triggered market specture of the control of the c

traction of Thesasy when she can received by Australian-do-requested suspension of shares in both Cereus and Sing Tao, her 67 designated foreign tax havens — per cent-controlled Hong Kong and Hong Kong is one — would offshoot. Analysts believe Miss Aw, whose principal operations are now in Asian language newspapers and property, is taking Cereus into private hands in Investment Review Board.

Japanese trading groups ahead TWO MORE Japanese trading 3.1 per cent to Y30.18hm (\$238.5m) companies yesterday announced on sales 6.2 per cent ahead at consolidated net earnings gains Y13,873bn. At Nissho Iwai, earnfor the March year because of ings were up 14.5 per cent to Japan's expanding economy, AP-DJ reports from Tokyo.

Sumitomo Corporation was up fell for both.

nent appears as a matter of record only



AIFUL CORPORATION (Incorporated in Japan)

YEN 5,000,000,000 Term Loan Facility

Lead Managed and Arranged by Den norske Creditbank PLC

Co-Lead Managed by FennoScandia Bank Limited Copenhagen Handelsbank A/S, Singapore Branch Union Bank of Norway

candia Bank Limited

Bank of New Zealand, Hong Kong Branch
The British Limen Bank Limited Republic National Bank of New York (Guernsey) Limit Funds Provided by

Managed by

Bank of New Zealand, Hong Kong Branch Kansallis Banking Group
Banque Nordeurope S.A. OKOBANK **BOI** Asia Limited The British Linen Bank Limited Skopbank lelsbank A/S, Singapore Branch Den norske Creditbank PLC

Republic National Bank of New York (Guernsey) Limite Sparebanken Midt-Norge Union Bank of Norway

Agent Bank

Den norske Creditbank PLC

June 1988

\$285,000,000

Prudential Venture Partners II

Limited Partnership Interests

General Partner

Prudential Venture Capital Management, Inc.

717 Fifth Avenue

William S. Field Paul O. Hirschbiel

Martha L. Robinson

The **Prudential**

Robert A. Knox Dana J. O'Brien Mark Rossi

Insurance Company of America

This transaction has been arranged privately.

May 4, 1988

مكن ا صن النهل

OMRON TATEISI **ELECTRONICS CO.** (Tateisi Denid Kabushiki Kalaha)

Advice hiss been received from Tohjothat his heart received from the Fifty-First Assual Meaning of Sharmonizars will be need of the Enshukan Hall at the Head Office of the Company Speaked at 10, Touchildo-Cho. Homecond, Nejocku, Kyalo at 10 00 a.m. on Wednesday June 25th 1865.

Objects of the meeting — Matters to be reported — Business report and income sciencent for the STes FeCal Year from April 1st 1097 to March 31st 1988, and Business Sheet as of March 31st, 1988.

Matter to be resolved on:[1] Proposal for appropriation of retained semengs of the 51st Flecal

Year (Dwidend Yen 6.50 per share consisting of Ordinary Yen 5.50 plus Commomorative Yen 1.60 - In Commomoration of the Company's \$56h Anniwirsary.)

acut yannwisstry.)
In accordance with Clause 15 at the Conditions, holders of BEARER OF POSTARY RECEIPTS wishing to Instruct the Depostary to everuse voting rights or respect of the chartes represented by their Receipts are notified that they must ledge that Receipts with one of the following by 3 p.m. 21st June, 1988

1988
HILL SAMUEL & CO. LIMITED, 45
Beech Street, London, ECCP 2LX,
(where looperment forms are available)
KREDIET BANK S.A.
LUXEMBOURGEOISE, 43 Boutevard

LUKEMBOURGEOISE, 43 Bouleverd Royal, Libernbourg.

BANK OF TOKYO LIMITED, 4-8 Rue Salvar-Anno, Parca, 7500, Franço, BANK OF TOKYO LIMITED, 4-8 Rue Salvar-Anno, Parca, 7500, Franço, BANK OF TOKYO LIMITED, Dusasidori 1, Federal Republic of Germany.

BANK OF TOKYO LIMITED Avascus quantum BANK OF TOKYO LIMITED Subsertand House, 3, Conter Road, Horp turning, BANK OF TOKYO LIMITED, Subsertand House, 3, Conter Road, Horp turning, BANK OF TOKYO TRUST CO 100 Broadway, New York, CRy N Y, 1000S if ocsand, resturctions may be given to VHS Samuel & Co. Limited to give decretionally profy to a portion designated by the Company.

Votion Rather may only be suscepted in

Voting Rights may only be exercised respect of Depository Recepts representing Ordinary shares on the Register os at 31st Merch 1988.

Copies in English of the full lend of the history converging the Making if required are available during normal business to the offices of any of the above mentioned Banks.

INTERNATIONAL COMPANIES AND FINANCE

Tim Dickson sets the scene for next week's gathering of shareholders in the Belgian holding company

Swiss lift offer for **Essex**

Chemical By Our Financial Staff

GURIT-HEBERLEIN, the Swiss chemical products and textile machinery group, is increasing its bid for 51 per cent of Essex Chemical of the US from \$24 a

share to \$30. The new offer from Gurit puts value of around \$180m on the New Jersey based company which makes sealents and adelsives. Gurit says its is prepared to extend its bid to the whole of

the US company's capital -should Essex agree to the deal. Yesterday, the Essex directors continued to recommend rejection of the takeover despite the 25 per cent inverease in the value of the terms.

Gurit's turnover amounted to SFr27im (\$188m) in 1986 while for 1987 sales at Easex, which has 16 plants across the US, totalled

Essex has an existing joint ven-ture arrangement with Gurit. This is a Swiss-based company which produces sealents

TNT acquires Madrid express freight group

By Our Financial Staff

THE FRENCH Stock Exchange is streets in demonstrations under everything in his power to tilt mous workforce. Several senior due to rule today on the long-the windows of the Finance Minths battle Framatome's way, feetonstruction and electrical equiptions, and finally attempted to against the wishes of a workforce meaning or mous workforce. Several senior managers felt the buyout project would seriously mortgage Teléconstruction and electrical equip TNT. Australia's leading transport group, has bought control of Unitransa, a Madrid company which it describes as the domestic express freight market leader

ennes, appears to have been left holders, the recently privatised register a Schneider offer of alone in the ring after a spiral of Compagnie Générale d'Electricité FFr5,400 a share within the norbids which end up valuing Teléand the state nuclear energy mai five-day period in order to According to TNT, the pur-chase completes its coverage of the Western European freight mécanique at around FFrs.15hn authority, Commissariat d'Enermarket, in which it has been heen bitterly resisted by Télèmé-canique's management and The previous Finance Minister, employees, who first took to the Mr Edonard Balladur, had done

expanding vigorously.
Unitransa operates a
door-to-door overnight delivery been bitterly resisted by Telemé-canique's management and service in the Spanish mainland and the Balearic Islands.

Its services are now to be linked with TNT air and road routes into Spain. Last year, the Australian company launched its TNT Overnite Air Express in

No price was disclosed on the acquisition, but TNT said Uni-transa has 25 depots, more than 700 staff and 500 vehicles. The current management will remain

market and is an important piece of the European jigsaw," it

Valeo expects to double income

By Our Financial Stati

VALEO, the French car parts group, expects to more than dou-ble first-half profits. Mr Noel Goutard, Valeo president, told the annual meeting that interim net income after payments to minority interests was estimated at FFr450m (\$77.4m) compared

at FFr450m (\$77.4m) compared with FFr207m in the first six months of 1987.

He said the sharp improvement in profits reflects the robust growth of car sales in France and the rest of Europe, as well as efforts within the group to improve productivity. Group productivity during the past 18 months had improved by 18 per cent, Mr Goutard said.

First-half turnover was expected to rise to FF8.7bm, an increase of 20 per cent.

A)

Tight-lipped ahead of Société Générale meeting "THERE is less possion this time example, is a sure sign that criti-- and that's good," said a senior cal behind the scenes talks are Belgian banker yesterday of the taking place, and barring unex-

conspicuously calm atmosphere in Brussels ahead of next Tues-day's annual meeting of Société Générale de Belgique. The contrast, of course, is with the acrimonious and highly charged build-up to the dramatic extraordinary general meeting in mid-April, itself the culmination of a herfic and ultimately unsuc-cessful three-month battle by Mr Carlo De Benedetti, the Italian

businessman, to win control of ing from the Belgium's largest and most prestigious holding company.

Notwithstanding his defiant exercise and well-publicised vow to continue the fight — "sooner or Belgian later and l later. . .my associates and I will

Mr De Benedetti, who, with his play the major role which is coming to us" – the last couple of cent of the shares, continues to Italian and the majority Franco-Belgian shareholder camp led by the French investment bank,

ment group, for Télémécanique, the industrial automation special-

by Mr Didier Pinean-Valenci-

Mr Pineau-Valenciennes has

taking place, and barring unex-pected breakthroughs or breakdowns in these negotiations, the supposition is that nobody will publicly wish to rock the boat at next week's largely routina

annual assembly.

None of this means, however, that peace is about to break out or that a credible new strategy can be quickly agreed for a com-pany which has stakes in more than 1,200 other businesses, ranging from financial services and cement making to commodity trading and energy, and which exercises direct influence over 20 per cent to 30 per cent of the Belgian economy. Mr De Benedetti, who, with his

months have been marked by a see "La Générale" as the touchmuch more conciliatory mood in relations between the ambitious pean holding company for 1992, Italian and the majority Franco-Belgian shareholder camp led by camp and its Belgian allies,



Herve de Carmoy, hot favour-ite for the hot seat

The most interesting question Compagnie Financière de Suez. including the SGB board, consis- perhaps remains the cohesion share compared with the current An official news blackout by tently insist that no one individ- and unity of the Franco-Belgian estimated net asset value of both sides in recent days, for nal should be allowed to exercise camp, not least following a around BF4,000 per share.

mal five-day period in order to give time for Framatome to come

back with an improved bid.

Paris bourse to rule on takeover of Télémécanique

put together a leveraged which owns around 10 per cent of employee buyout. which owns around 10 per cent of its capital, would deal a blow to

The white knight, nuclear employee share ownership. plant builder Framatome, had to Under his pressure, the stock withdraw when its main share exchange refused in March to

highly controversial article in the French magazine L'Expansion earlier this month which implied that Suez wants to split up the company's financial and industrial holdings and intends to sell off lame ducks such as Gechem, the chemicals business, Fabrique Nationale, the armaments group, and ACEC, the engineering con-cern Losses in all these activities contributed to the sharp drop in La Générale's net profits in 1987. That article drew a swift offi-cial denial from the French company and provoked scathing pubic comment from Mr Philippe Bodson and Mr Maurice Lippens, two of the new Belgian directors elected at April's egm. Most stock market observers, however, are

convinced that the article reflects the views of at least part of the Suez board that a major shake up is required to provide an ade-quate return on the fancy prices paid for their shares. The Suez and De Benedetti camps are thought to have paid an average BFr4,600 (\$127) to BFr4,800 per

mecanique's industrial future. Schneider, as the only buyer remaining, is therefore expected

to receive the approval of the stock exchange for its offer of FFr5,000 a share cash or FFr5,500

The net result of the Govern-

ment's pressure to secure a politi-cally acceptable outcome to the

in a year's time.

ack with an improved bid. battle for Telemecanique — The leveraged buyout plan something of a pioneer of

received a cool reception from employee share ownership in the banks, and even ended up France - appears therefore to dividing the previously unani- have been to allow Schneider to

Speculation has also centred Mr Jean Gandols on the new chief executive, The continuing whose appointment seems likely to be confirmed at next Tuesday's meeting. The bot favourite sion (post Midland's Crocker

fiasco in the US). Critics in Brussels worry that he will be another banker, albeit a distinguished one, in a boardroom which badly needs indus-trial experience. Mr De Benedetti, who will be consulted but who cannot veto the appointment, may also harbour such thoughts. country's major company, will not take kindly to the appoint-ment of a Frenchman

Supporters of Mr De Carmoy point out that Ls Générale is con-trolled by Francophone share-holders and that Cockerill Sambre, the country's big steel group, is run by a Frenchman,

disown a hid of FFr5,400 a share

in favour of one of FFr5.000 cash or FFr5,500 in a year's time.

Although the Commission de

Operations de Bourse has said it

regarded the FFr5,400 offer, valu-

ing Telémecanique at FFra.8bn, as duly made, it is not expected

to block the new lower offer. Dealings in Telémecanique

shares are due to reopen on Mon-

day after being suspended since February 4, with the exception of

a single day's trading on March !

ister, Mr Pierre Beregovoy

appears have distanced himself from the Telémécanique case.

The new Socialist Finance Min-

The continuing uncertainty at La Générale, meanwhile, has not halted developments at La Générale's "subsidiaries," notably at for this key post is Mr Herve de FN, where new money has been Carmoy, a Frenchman whose provided for the major restructinternational reputation rests uring to go shead and at Tracebel largely on his achievements as where an exchange of shares ear-the Midland Bank director hier in the year has brought Mr responsible for overseas expan- Albert Frere's Groupe Bruxelles Lambert very much into the pic-

ing in the 1 per cent to 2 per cent of La Générale stock not in the hands of one or other of the major camps has been largely irrelevant. The persistent buying of shares in Petrofina, the major oil company historically under while the Flemish community in the benign influence of the La Belgium, long jealous of the Générale board, has provoked Francophone domination of the new excitement and raised speculation that Mr Frere (or a counterweight to him) is trying to increase his holding.

La Générale disposais

On the Brussels bourse, trad

Shares in CBR, the cement company, have also strengthened in the last few days on sugges-tions that this successfully run business could be on the list of

WARTSILA Marine Industries, the Finnish shipbuilding group, will close one of its shipyards in the face of dwindling orders.

The Laivateollisuus yard at
Turku will be phased out by the end of 1990 and half of its 1,200 employees will find work at Wartsila's other shipyards. Laivateollisuus specialises iu smallish craft such as research

and submarines. Production will be continued by Wartsila Marine's other yards.

Finnish shipbuilder

By Otti Virtanen in Heisinki

vessels, Arctic tankers, yachts

to close yard

Correction Notice U.S. \$50,000,000

IBM Credit

Corporation Floating Rate Yen Linked Notes due 1995
In accordance with the provisions of the Notes, notice is hereby given, that for the six months interest Period from June 6, 1988 to Docember 5, 1998 the Notes will carry on interest rate of 8% per annum. The amount payable on December 5, 1988 against Coupen No. 6 will be U.S. \$404,44 per U.S. \$10,000 principal amount.

0

Losinger returns to profit on lower turnover

The white knight, nuclear Schneider, which is controlled plant builder Framatome, had to

SFr572m with a run of big foreign contracts and the strength of the

LOSINGER, Switzerland'a lead-man, said yesterday that group ing construction concern, donestic operations were to be returned to profits last year with intensively promoted. He added net earnings of SFr600,000 that largescale building contracts (\$416,600) compared with 1986 abroad were gaining from Losin-losses of SFr4.5m.

Sec. 2 inks with Enserch, the US Turnover fell 10 per cent to gas transmission group which owns 50 per cent of the company. Losinger still faces carried over franc taking most of the blame. losses, amounting to SFr33m for International business accounted the parent company. In order to for 40 per cent of Losinger turn-cancel out most of these, Enserch and Union Bank of Switzerland

gie Atomique, baulked at the

price they were being asked to

over.

New orders fell from SFr636m which controls 22 per cent of Lostos inger, are to write off SFr30m orders improved from SFr408m to worth of Lostoger priority particulates, including 45 per cent in the chair.

M. William Pank of Switzerland, which controls 22 per cent of Lostoger priority particulates in the chair. Mr Vinzenz Losinger, the chair Losinger in 1983

Huhtamaki earnings rise by 15%

This announcement appears as a matter of record only.

June 1988

Jostens, Inc.

has sold

1,135,000 Shares

CareerCom Corporation

Common Stock

We acted as financial advisor and agent in the private placement of these securities to institutional investors outside of the United States of America.

PaineWebber Incorporated



Professor Wolfgang Hilger, Chairman, Board of Management,

THIS YEAR WE CELEBRATE A SUCCESS THAT SPANS THE PAST 125 YEARS.

AND A CURRENT FINANCIAL PERFORMANCE THAT PROMISES WELL FOR THE FUTURE

ince its modest beginnings as a small dyeworks in 1863, Hoechst has grown to become one of the world's leading chemicals companies. Today, our activities span the fields of chemicals, dyes, fibres, plastic film, polymers, technology, agriculture and

pharmaceuticals. in the last financial year, sales of the worldwide Hoechst Group (including Celanese Corporation, our recent major acquisition in the US) amounted to just under DM 37 billion, with pre-tax profits of DM 3.1 billion an increase of 10.4%. The Celanese

expectations placed on it. Hoechst shareholders are being paid a dividend of DM 10 per share, plus a bonus of DM 1 to mark the 125th

acquisition has fulfilled the high

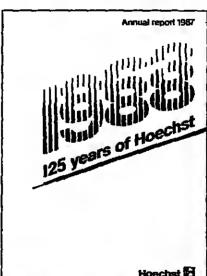
In the first quarter of 1988, Hoechst's worldwide sales of DM 9.8 billion showed a 16.8% increase over those for

the comparable period in 1987; and the pre-tax profit, at DM 820 million, was up by 19.5%.

The figures for April and May together with the current order level, show no sign of a decline in sales and profits in the immediate future. We are confident that Hoechst will again achieve good results in 1988.

In the UK, Hoechst companies now employ over 5400 people at various locations, many of which have their own production and R&D facilities. Following a record-breaking year in 1987, the Hoechst UK Limited Group is continuing to invest, and its 1988 results are well ahead of 1987's.

For a copy of the Hoechst AG Jubilee Year Annual Report, and our report on the first quarter of 1988, please contact Miss Michelle Carter on 01-570 7712 (extension 3217) or at Hoechst UK Limited, Salisbury Road, Hounslow, Middlesex TW4 6JH.



Hoechst. The High Chem Company.

Hoechst



ment banking community a hlow by refusing to review a lower court decision allowing commer-cial banks to move into parts of

because it leaves intact the

However, Drexel sees less opportunity for growth in the US market now than overseas, where it is concentrating its efforts.

In London, it hired Mr Trevor Swete and Mr Christopher Rosh-ier, the two former heads of the

Hill Samuel corporate finance department, and is now trying to build up a UK-based investment banking business. Mr Linton predicts that the first deals will be

ing some time in what he consid-

ers to be an interesting long-term

half-week tour of the region and came away convinced that "we

are winning there. Democracy is encroaching rapidly in some of those states, and the profit

does some commodity trading

He has just made a two-and-a

prospect: East Europe

David Lascelles on a firm's reaction to a torrent of adverse publicity

Drexel chief comes out fighting

"WHY DO people continus to deal with us if they're reading such dreadful things about us in the newspapers?" asks Mr Robert Linton, chairman of Drexel Burnham Lambert, the Wall Street investment house whose name has become almost synonymous with trouble.

The reason, be says, is that Drexel knows bow to produce value for its clients.

That answer might sound a lit-tle woolly in the hard-nosed world of investment banking. But the gravelly-voiced Mr Linton has been forced to hecome an active promoter for his firm, to counter the torrent of adverse publicity.

He was in London this week doing just that in the wake of further bad news on the legal Last week, the Securities and

from the Ivan Boesky insider- name The SEC also voted to charge

head of its famed junk bond oper-Quite when charges will materialise is unclear. The US Attorney General is etill collecting evitions, a new book about

Sitting in his shirt sleeves in Drexel's City offices, Mr Linton is in combative mood.

"The actions are mainly Mr Boesky's words against ours. We believe none of our employees has done anything illegal. We have an absolute defence in every case. We want to confront Mr Boesky who is a liar and in jail," be says.

Out-of-court settlement is an individual part of Drexel's City offices, Mr Linton is inghly unflattering portrait.

"The saving grace of that book," is that it is a colossal bore, and is written by a does not give detailed profit figures, nor does it break out the contribution of individual parts of the business.

But Mr Linton confirms that the most lucrative part of Drexel's operations is still investment banking, which includes corporate finance, where business is and the prout motive appears to be having a does not give detailed profit figures, nor does it break out the contribution of individual parts of the business.

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Being privately owned, Drexel does not give detailed profit figures, nor does it break out the contribution of individual parts of the business.

But Mr Linton confirms that the most lucrative part of Drexel's operations is still investment banking, which includes corporate finance, where business is and the prout motive appears to be having a tremendous effect."

This may not mean that communism is about to succumb to the allure of junk bonds, but Mr Linton sees Drexal playing an device appears to be having a tremendous effect."

The saving provately owned, Drexel does not give detailed profit figures, nor does it break out the contribution of individual parts of the business.

But Mr Linton sees Drexal playing and the prout motive appears to be having a tremendous effect

Out-of-court settlement is an option that Drexel has considered firm has conducted \$17.3bn of two other large earners are in what promises to be a long-running case, though Mr Linton ancings in the first five months

Two other large earners are bond and commodities trading. But the retail business is down



Mr Robert Linton, left, Drexel's chairman, says his firm is not seeking a settlement with the SEC over their allegations of wrong-doing at the firm in the wake of the Ivan Boesky scandal. "We are not seeking a settlement. We look forward to going to court and proving our innocence."

Exchange Commission voted to charge Drexel with 18 civil secusarys his firm would prefer to rities fraud violations arising fight a legal battle to clear its

"If we can avoid the legal costs and consumption of management four employees, including, it is time and expense, then we'd be believed. Mr Michael Milken, fools not to take it. But we are not seeking a settlement. We look forward to going to court and

To add to Mr Linton's irritaney General is etill collecting evidence to decide whether to bring an action of his own.

Sitting in his shirt sleeves in Drevel's City offices Mr Linton is

Linton bas disclosed that tha

idly and earned a good reputation

Mr Li Yumin, a vice-president both at home and abroad," said of the bank, said the A3 rating Mr Li, who emphasised that the was unacceptable as it failed to bank's bond issues in Japan have

of this year, np from \$16.7bn in the same period last year. The bulk of this is in junk bonds, which have caused much of the controversy surrounding the firm. The figure does not the firm. The figure does not the firm the figure does not the figure does not the firm the include Drexel's participation in the recent placement of 50m

shares by Occidental Petroleum. Altogether, Mr Linton expects total revenues to reach \$40n this year, which would equal the firm's best year in 1986. Capital bas also increased slightly, to

running at record levels. Two other large earners are and financing business in East

bond and commodities trading. Europe.

Perhaps to emphasise the country's displeasure, the People's Bank, the central hank, announced that foreign exchange

French SE launches new index for shares This week, the Snpreme Court also dealt the Wall Street invest-

By George Graham in Paris THE FRENCH Stock Exchange yesterday Isunched its new share index, CAC-40, designed

the securities business.

Mr Linton says this is another "peel off the onion" of US banking regulation. But he doubts that it will make much difference to serve as a base for stock index futures and options.
The exchange hopes to start trading index options and futures in the antumn, hat Glass-Steagall Act bar on banks underwriting corporate securi-

faces competition from a rival index, EFX-50. OM, which already runs a similar market in Sweden, is ready to begin trading on the EFX-50 index with the backing of the CCF, BNP, Societé Générale and Parihas banks.
The French Treasury has

been withholding its approval from the OM market in the hope that the exchange would be able to set up its own index trading in time.

Many dealers are sceptical that the exchange will be ready by the antumn, as it has already experienced several delays.
The OM market, although

not the absolute beight of technical sophistication, is viewed by the French banks backing it as having the advantage that it works and is relatively

The new CAC indax is based on 40 shares representing 56 per cent of the capitalisation of the main Paris stock market at the end of 1987, and 62 per cent of its turnover. The com-ponent shares are all traded continuously, some on the screen-based CAC system and others by open outery on the stock exchange floor. The traditional CAC general index was fixed only once a

day, while the trading indicator includes both continuously traded stocks and those fixed only once a day in the main

The CAC-40 closed yesterday at 1281.68, np 0.06 per cent. after reaching a high of 1291.19. Technical problems appear, bowever, to have delayed its appearance on Reu-

St Paul to set up \$300m revolving credit

By Stephen Fidler, Euromarkets Correspondent

THE ST PAUL Companies, the US property and liability insurance company based in St Paul, Minnesota, is establishing a \$300m revolving credit, international loans market. The financing, being arranged by Swiss Bank Cor-

peration Investment banking, has a maturity of five years, with an option to invite uncommitted bids for advances in several currencies. The committed advances are priced at 18% basis points over London interbank offered

rates, with a utilisation fee of 5 basis points if outstandings exceed \$150m. There is an annual commitment fee of 8 basis points on undrawn The borrowing will be used to consolidate the company's international bank group, and

will be used partly as a com-mercial paper back-up and to partly replace St Paul'a existing credit lines.

National Home Loans Corporation, the specialist UK

mortgage lender, is increasing its Eurocommercial paper programme from \$250m to \$400m. NHL said issuance under the programme had consistently reached its celling since it was launched in January and the increase was a result of pres-

sure from investors.
Clticorp. Dalwa Europe,
Manufacturers Hanover, Union
Bank of Switzerland (Securities) and S.G. Warburg are

VW of America wins lawsuit By Anatole Kaletsky In New York

Euro, Loal & Steet 5 % 97.
Euro lima 6 % 96.
Etec De France 5 % 97.
Forsmark Krig. 5 % 93.
I.A. 0.8. 6 97.
IBJ 5 % 92.
Japan Finance 5 % 97.
Ireland 6 % 97.
Kores Dev 8K 6 % 93.
Malaysia 6 % 94.

Kores Dev BK 0-7, v.s.
Malaysia 6-1, 94.
Nat. West BK, PLC 6-98.
Gesters, Kontók, 5-93.
Portugal 5-1, 92.
Portugal 6-8, 95.
Privzthanken 5-1, 93.

Bk Fron Econ User 5 98.

Bayer W/W 2 ½ 02.

Bayer, Vrnsbk 0s, 4 ½ 98.

Eice De France 5 07.

dealers on the programme.

VOLKSWAGEN OF America has won its first US lawsuit involving an alleged incident of "unintended acceleration"

by the Andi 5000 model.
Since 1985, there have been hundreds of claims that Audi 5000 automatics were liable to accelerate suddenly ontside their drivers' control, injuring and killing pedestrians and cansing disastrous market share losses for Audi and its German parent.

German perent.

On Tuesday, a Federal court jury in Akroo, Uhio, decided that there were no defects in the Audi 5000 in a case involving the death of a six-year-old boy who was run over by his mother. VW described the ruling as a "victory" in its campaign to establish that the Audi 5000 was not unsafe.

VW has consistently denied that such accidents were due

that such accidents were due to mschanical problems. In several cases, driver error, incloding confusion between the brake and accelerator ped-als, has been identified as the cause of the car's lurch.

US statistics continue to command dealers' interest

BY DOMINIQUE JACKSON

THE EUROBOND market remained in thrall to US economic statistics yesterday as prices in most sectors saw consolidation in the wake of Tuesday's strong sdvances. A crop of new trade widely.

The EUROBOND market World Bank affiliate, the International Finance Corporation, with a \$100m six-year deal at 8% and idation in the wake of Tuesday's 101%. The deal is not expected to strong sdvances. A crop of new trade widely.

The EUROBOND market World Bank affiliate, the International World idation in the wake of Tuesday's strong savances. A crop of new issues was launched, including

three dollar straight bonds.

The unforeseen drop in the US trads deficit to a seasonally adjusted \$9.89m in April from a revised \$11.7bn in March propelled the US Treasury market sharply higher on Tuesday and renswed investor interest in dollar denominated bonds.

However, although sentiment

However, although sentiment remained good yesterday, most Eurodollar bond prices eventu-ally fell back from initial highs on a combination of profit taking and a softer tone following new economic data in New York. Dealers said news of an unex-pectedly low rise of 0.1 per cent

in US May retail sales was offset by a higher than expected 0... per cent jump in industrial produc-Most sectors of the Eurobond

market tracked US Treasuries, although prices moved within a narrower range.
Sterling denominated bonds received no support from the

pound's lacklustre performance on the foreign exchanges and were unable to maintain the higher levels seen on Tuesday, although falls were limited yes-Euroyen was the only sector to present a markedly bearish face.

Prices were depressed by the Bank of Japan's decision on Tuesday to allow short-term com-mercial hill rates to rise, indicat-ing that an anticipated tightening of monetary policy to curb inflation and support the yen could be imminent.

The first dollar straight bond to emerge yesterday was a three-year \$150m 8½ per cent deal at 101.10 for Coke Enterprises, a subsidiary of Coca-Cola. Credit Suisse First Boston led the issue which was bid at a discount of 1% against fees of 1%.

INTERNATIONAL BONDS

101%. The initial response to the deal was good and it traded within its total 2 per cent fees.

Steady retail demand from the Continent for Canadian dollars and favourable swap opportunities prompted a handful of new Crédit Commercial de France

wan to the sector with a C\$150m three-year 9% per cent deal at 101%. The provinces are popular 1% fees. borrowers and the deal was bid In Wes

at a discount of 1.90 against 1% fees. Dealers said the issuer was looking over-borrowed. Salomon Brothers Interna-

trade widely.

Encouraged by the excellent reception seen by two 10-year dollar straight honds earlier this week for SNCF and Belgium, Electricité de France finally awarded the mandate for its long-anticipated issue to BNP

Hamhros Bank led a £200m floating-rate note for the Wool-wich Equitable Building Society. The issue matures in July 1993 and the coupon is % point over the three month London interbenk offered rate. Fees on the deal totalled 35 basis points and the issue was bid at 99.70 against the issue was bid at 99.70 against

its par issue price.

IBJ International led a Y10bn step-up coupon issue for Norway's Bergen Bank. The deal matures in October 1994 and is priced at 101.225.

Capital Markets. It was a \$150m in France, the European 10 year deal at 9% per cent and Investment Bank issued a 101%. The initial response to the FFrl.5bn bond through Société Générale. The coupon on the seven year issue was set at 8% and the price at 101%. Dealers said it was bid at a discount equal to its

ties prompted a handful of new issues in the sector yesterday.
Wood Gundy brought the Canadian province of Saskatchewan to the sector with a C\$150m was priced at 101%. It was bid at a discount of 1.45 against total

In West Germany, the domestic at a discount of 1.30 against total bond market saw initial brisk professional activity although

fees of 1%.

Shearson Lehman Hutton
International brought American
Express Overseas Credit, a financing unit of American Express, to cing unit of American Express, to
the sector. The three-year C\$50m
10 per cent deal at 101.20 was bid
the sector of the sector o squaring ahead of the coming

a discount of 1.30 against 1% squaring attent of the issuer was holiday weekend in Germany.

Swiss bond prices closed mar-Salomon Brothers Interna ginally better across the board, tional followed with a C\$125m taking a lead from the improved seven year issue for General tone overall which followed the Motors at 10% and 101%. The US trade figures on Tuesday. US trade figures on Tuesday. Thailand made its first issue in

issue was hid at a discount equal to its fees of 1%.

In the Japanese equity warrant sactor, Nomura International 9%, led by Crédit Suisse. Union Swiss market, a SFr200m seven-year deal at 4% per cent and sactor. Nomura International 9%, led by Crédit Suisse. Union Swisse and Swisse and Swisse and Swisse. brought Tokyn Department Store Bank of Switzerland said it had with a \$200m five-year deal on declined to participate in the deal which the coupon is indicated at which it considered too tightly

	ET INTEDNATIO	NAL BOND SER	VICE
	LI THIEKKWITC	HAL DOND SEK	ATOM
Listed are the latest inter-	national bonds for which there is	an adequate secondary market.	
			Closing prices on June 15
trs pollar	Cleante on		Charge an
	lessed Bid Offer day week Vield	YEN STRAIGHTS	Issued Bid Offer day week Yield
Abby National 74 92	200 195% 95% 10% +1% 8.97	Beiglum 57, 92	55 1024 2024 -03 -04 4.77
Atl Nippon Air 91, 97		Belgium 45g 94	45 97% 974 -04 +04 5.15
American Brands 85, 92		Canada 43 92	80 984 99+04-04 4.69
A/S Eksport/Inacs7 > 93	100 1965 974 +1+14 8.34	Elec. De France 5% 94	20 1001002 +04 +04 5.07
A/S Disport/lease7 4 92	150 194% 95% +0% +0% 8.86	Ireland 5 % 93	30 1005 1005 -07 +04 5.03
Barc. 8k. Fla. 104 89		Norway 54 95	50 99% 99% +0% +0% S.19
Beiglein 9% 92	400 1201 7 1027 +1 +17 8.49	Rep. of Italy 5 4 92	
British Telecom 74 96		Seeden 47, 93	50 985 995 0-07 4.86
Cal, Natil, Telecom 8 4, 93	160 +101 4 101 4 +1 +24 8.05	World Bank 5 12 92	50 1031, 1031, +05 +04 4.60
Carada 9 96	1000 1100's 100's +0's +1's B.89	Average price pharige.	On day ~0% on week +0%
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C.C.C.E 73 91	113 1965 974 +1 +17 8.11	OTHER STRAIGHTS	Issued Bid Offer day week Yield
C.N.C.A 74 91	150 95% 96% +0% +1% 8.68 100 +99% 100 0 +0% 8.37	Abbey Nat. BS.10 4 93 E.	50 101 5 102 +05 +03 9.73
Coca-Cola Em. 8 % 90	100 †99½ 100 0 +0% 8.37 200 †100 5 101 4 +0% +05 8.48	Alg. Bt. Ned. 512 92 FL	150 1005 1015 -04 -04 5.26
Gredit National 84 93	200 9712 98 +05 +05 8.83	Amro Bank 6 4 92 FL	150 101 101 -03 -07 5.86
Credit National 75, 92	100 9512 96 +04 +05 8.71	Bart, Aust. 14 91 AS	20 1017 1025 +04 +05 13.19
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E.E.C7 91	100 95% 95% +0% +0% 8.53	British Aleways 10 98 E.	100 974 985 +07 +07 10.32
E.E.C. 74 93	250 94 945 0 +05 877	C.I.B.C. Mort 104 93 CS	100 1101 1017 -07 +04 10.30
E.E.C84 96	100 1944 945 0 +1 9.25	Coop.Ctr.Rabo.6 & 93 FL	100 102 1037 +05 +04 5.51
£1.8.75 93.	100 944 944 0 +0% 8.91	Coop.Ctr.Rabo.6 92 FL	200 1017 1027 0-04 5.47
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Elec. De France 9 98	200 97% 97% 0+1% 9.39	Destsche Bank 95 97 £	75 198 985 0-04 10.17
Finland 75 97	200 905 915 +05 +1 4 9.45	Devt Bk.Aust. 124 95 AS	70 1985 995 -05 -07 12.98
Figland 7 % 93	200 945 947 +07 +1 884	E.L.8 10 % 98 CS	130 1985 995 +05 +07 10.30
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Ford Motor Gredit 891	250 1985 985 0 +07 8.66	Elec. France 10 4 95 CS	125 1100 10012 0 +01 10.19
Gen Elec Credit 10 4 00	200 101 5 101 5 0 +04 10.02	Euratom 7% 97 ECU	145 961, 975, 0 +01, 7.89
G.M.A.C. 889	250 99% 100% 0+0% 7.95	Eurofina 712 92 FL.	50 110612 10812 +012 +012 5.30
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appears at a mater of record only.									
EW ISSUE									

Bank of China criticises credit rating from Moody's

THE STATE-RUN Bank of China. bank's plans to enter the US capiresponsible for most of the countal market and could discourage
try's foreign exchange dealings, foreign investors.

larly as its master, the Chinese Bank of China holds \$12.6m of
Government, is tightening debt those reserves and the rest is
management even though the held by the state treasury.

yesterday with a less than perfect foreign currency bank, the Bank credit rating from Moody's of China has been expanding rap.

"As a state foreign trade and country's debt service ratio is Meanwhile, the vice-governor reckoned at only about 9 per of the People's Bank, Mr Qin Cent.

Oing said the country and the country said th

recognise the bank's domestic all had a Triple-A rating.

The bank has obviously taken standing, it could affect the the rating as an insult, particn-first quarter this year - the double that of 1987.

These securities have been sold outside the United States of America and Japan. This announcement

SUMITOMO BAKELITE COMPANY LIMITED

U.S.\$150,000,000

41/8 per cent. Guaranteed Bonds 1993

Warrants

to subscribe for shares of common stock of Sumitomo Bakelite Company Limited The Bonds will be unconditionally and irrevocably guaranteed by

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Sanyo International Limited Westdeutsche Landesbank Girozentrale

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Newly/Recently Qualified Accountant The Focus Of European Development

£23,000 + Share Options + European Travel If you have the interpersonal skills and abilities to justify early promotion, leading uttimately to Board status within four years, then this \$billion t/o oil services multinational would very much like

to hear from you.

You will work within a key operating division, which can itself demonstrate a turnover in excess of \$200 million. Acting as a central source of expertise for your designated territory of Northern Europe, including Scandinavia, you will closely monitor key business information and liaise extensively at Board level. To this end, your broadly-based responsibilities will include:

▲ European travel (a few days every two or three months)
▲ Producing quarterly Board reports on varying topics

▲ Extensive contact with non-financial personnel Managing and motivating a small accounts team

A newly/recently qualified accountant, you should ideally be able to demonstrate some commercial experience, although we would be happy to consider candidates from a professional background. Outstanding communication skills and a flexible approach are essential attributes for this unusually challenging position.

In addition to a competitive salary, the organisation offers a superb range of benefits, including generous stock options. Career prospects, as outlined, are virtually unlimited.

For further information about this rare opportunity, please contact NICOLA LENDRUM on 01-404 3155 at ALDERWICK PEACHELL AND PARTNERS LIMITED, Accountancy and Financial Recruitment, 125 High Holborn, London WC1V 6QA.



ESSO UK PLC Opportunities in Taxation

London SW1

Esso is a major force in the oil industry and the British

economy. The company produces large quantities of

most modern petroleum transportation, refining and

complexity of taxation, the company now wishes

to expand this team and has vacancies

for several young, qualified tax specialists. If you are a qualified accountant with a tax background. oil and gas from the North Sea. It operates the country's a member of the Institute of Taxation or an Inspector of Taxes, Esso would like to hear from you.

distribution systems. Huge investments continue to be Salaries are at the top of the market for tax specialists made which provide significant benefits to Britain. Last and prospects for advancement are excellent for self year alone, the company paid £780 million in taxes to motivated, intelligent individuals within both taxation the British government. and other operating financial functions. All the Esso group's tax work is done in-house. The tax

Contact Chris Nelson or David Kennedy on department is composed of highly skilled professionals. With continuing business growth and the increasing 01-831 2000 (evenings and weekends 01-785 6545) at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.

Michael Page Partnership

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

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Jonathan Wren

FINANCIAL CONTROLLER

Fast moving service-sector company c£25,000 + car + profit share

This is an opportunity for an ambitious, highly motivated professional to take full financial responsibility for a successful, expanding company with a

Part of a leading international service-sector group, this City based company's future growth plans include developments both in Central London and key

Initial priorities will include the re-organisation of the accounting function and improvement/development of management information systems to meet the demands of a fast moving business. Reporting to the Chief Executive, you will be pro-active in planning and implementing the profitable future development

The successful candidate will be e-graduate chartered accountant, probably aged 26 to 33 years, with a track record of progressive achievement ideally gained within a service-based environment. Some experience of computerised systems would be of advantage.

Personal qualifies will include flexibility and enthusiaem coupled with an assertive yet tactful style and the ability to develop and motivate staff. You should be able to demonstrate an understanding of overall group objectives and possess the potential for personal career development including progression to

For further information, please telephone Keith Scott on 01-993 7285 tematively, write to him enclosing full details of your career and salary progression to date.

FINANCE DIRECTOR

On the way to general management Up to £35,000+car

Milton Keynes

Well established, highly regarded in its own specialist industrial equipment sector, the company is committed to planned but prudent expansion. Last year, from an old and cramped factory, turnover was £10 million; this year, after a move to new, purpose built and purpose equipped premises, the company is on target to achieve a budgetted 35% increase, and there should be much more to come. But modern nges; the Managing Director has recognised the need for high level support from a Finance Director, whose responsibilities will range from manufacturing cost control, through the review of contractual arrangements, to overall management of the custom designed LT. system. We see this position clearly as the MD's number two, we will be looking for the commercial strengths to fill that slot and the ambition to take the next logical step. But that will not distract us from the essential requirement – a professional and qualified finance manager, with immaculate accounting and administrative skills and a thorough understanding of the management of modern information technology. We have no prejudice about particular qualification, but it's worth remembering that it's a manufacturing oriented company. Likely age is late thirties/early forties. Please send full career details, including salary history and quoting reference WE 8023, to Terry Ward at Ward Executive Limited, 34 York Street, Twickenham, Middlesex TW1 3LJ. Tel: 01-755 2031.

MARD EXECUTIVE

LIMITED

Executive Search & Selection

Accounting Manager

South East

to £25,000 + Car

£Attractive

Responsible to the Chief Accountant of this substantial subsidiary of a large, well known and increasingly successful International organisation, the newly created role offers high career potential. Preparing, co-ordinating and controlling the accounting information for the Company and assisting in an ongoing critique of results, the manager will also control the interface with other sections of the Group. Preferred candidates will be graduate, qualified accountants aged between 28 and 40 with previous commercial experience of financial accounting in a computerised environment. In addition to the technical skills required, the anticipated opportunities will demand commercial acumen, flair and management ability. A negotiable salary is enhanced by additional benefits and the challenge will satisfy only the more able and ambitious individual.

If interested please send full career and personal details to John L Overton FCA, Managing Director, Overton Management Selection, 3 Berkeley Square, London, WIX 5HG or telephone 01-408 1401 for an application form quoting reference 12/1140/FT.

OVERTON MANAGEMENT SELECTION

Financial Controller



West London

Mid 20's

c £25,000 + car

As a result of their continued strong growth and exciting potential our client, an innovative and highly respected market leader, has created a vacancy for a Financial Controller, who will be supported by an existing small and committed financial team. The Opal Group is famous for its MICROPAL software and database for the UK investment industry with clients both in the UK and overseas. Currently they are developing similar services for the Europ North American and Australasian managed funds. The job centres on improving and maintaining management information and accounting systems and controls to assist in strategic decision-making in this market orientated environment. However although there are key elements the scope is to a great extent dependent on the abilities of the individual and that individual's inter-personal skills. Consequently it will appeal to a young, computer aware accountant eager to contribute skill and business flair in a flexible, informal and customer conscious business. Ref: 1484/FT. Write or telephone for an application form and a preliminary discussion or send full details (with daytime telephone number and current salary) to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours) or 04446 47979 evenings and weekends.

-Philips & Carpenter-Selection Consultants

GROUP **FINANCE DIRECTOR**

Kent/London £35,000 + expensed car

Our client is a dynamic and highly acquisitive private company which is currently stengthening its executive team with a view to flotation in 1989.

The business has expanded rapidly in the UK and Europe through recent acquisitions and by organic growth in the range of security services it offers to industrial/commercial customers.

The Finance Director will play a leading part in building this emergent group into a major international business in its field through developing effective financial strategy and negotiating further acquisitions.

The candidate appointed will set high personal goals which include being an influential executive in an integrated European (and possibly worldwide) business.

Candidates will be Chartered Accountants (aged 30-38) from an International pic background, and already in a senior financial management appointment. Previous experience of acquisition work is important and command of a European language will be preferable.

The remuneration package is in line with the seniority of this appointment and will include an executive car (fully expensed), and a share option

Please write in confidence with full career details and present remuneration (quoting reference F7260) to:

> J.R. Adcock Clark Whitehill Consultants Limited 25 New Street Square, London, EC4A 3LN

Clark Whitehill Consultants

ra<u>dio</u>rentals

FINANCE MANAGER

Bristol c.£25,000 + car

Our client, Radio Rentals Limited, is a substantial profit generator within the THORN EMI Group, operating through decentralised general management, finance, marketing and personnel functions.

As a result of recent promotion, a finance manager is sought to play a key role in the management of the South West Division which has a turnover in excess of £40m, 80 retail outlets and employs 1,000 people.

As the requirement will be for the finance manager to work very closely with the divisional director in general business development and profit improvement, preferred candidates for this position will be graduate accountants with experience to controllership level in a substantial organisation or division thereof. A background in the service industries will be preferred and the likely age range for shortlisted candidates will be between 27 and 35. Skills are sought in the application of computer technology for business purposes; in staff development and in general management. The group provides excellent opportunities for high performers.

In the first instance, please send brief personal and career details to Carrie Andrews quoting reference F/368/A. Initial interviews will be conducted

> Ernst & Whinney Executive Recruitment Service

Becket House, I Lambeth Palace Road, London SEI 7EU.





SYSTEMS CONSULTANT £40,000

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plus car, plus benefits

Data Solutions is a rapidly expanding computer systems company with offices in Bristol and Newbury. We are seeking a qualified Chartered Accountant with at least three years computer systems experience gained in industry or commence, or in the computer audit or computer consultancy arms of the accountancy profession.

The successful candidate will be responsible for developing our accounting systems client base. Although this is essentially a sales role previous sales experience is not essential.

A positive approach to problem solving and the ability to demonstrate top level experience in the fields of both accounting and computerised systems

If you believe you are able to meet this challenging role please write to Sarah Bevis at Data Solutions International Limited, Southgate, Whitefriars, Lewins Mead, Bristol BSI 2NT enclosing full curriculum vitae.

SEIKOSHA (UK) LIMITED

A progressive, high growth computer printer manufacturer requires an accountant who also has office managerial experience.

Attractive salary

Accounting in General Multi-Currency

VDU Key Entry Prepare financial reports to HQ in Tokyo

Piesse send CV to: Office Manager, Selkosha (UK) Limited Unit 14, Poyle 14, Newlands Drive, Coinbrook, Slough. SL3 4DX

ENHANCED PROFITABILITY LEADS TO RISE IN MARGINS TO 13.8%

Pilkington sparkles with 18% rise to £302m

Pilkington, St Helens-based glass manufacturer, yesterday reported an 18 per cent rise in pre-tax profits to a record £302m for the year to end March. The result was in the US, at both Libbey-Owens-Feed (OF), a manufacturer of an 18 per cent rise in pre-tax profits to a record £302m for the year to end. March. The result was achieved despite adverse currency movements, which clipped the pre-tax total hy £26m on translation to sterling.

The outcome was broadly in line with stockbrokers' forecasts, but the shares fell 6p to close at 209p.

Autony Pilkington, chairman.

Earnings per share rose by said that demand for float glass only 7 per cent, reflecting the dilutive effect of the last the company in the 1950s and August's acquisition of Revion's Visioncare businesses for \$574m in shares. Overall turnover rose by 11 per company is planning to invest cent to £2.33bn and operating between £50 and £70m in a new profit by 17 per cent to £306m. A float glass plant to be built in the



plans to invest between £50m and £70m in new UK glass plant. **Antony Pilkington**

pront by 17 per cent to £306m. A recommended final dividend of 5.05p takes the total for the year to 8.4p, an improvement of 15 per cent.

The boost in trading margins, from 12.5 to 13.8 per cent,

Motors, the subsidiary's principal in the product of the product of the product of the subsidiary's principal in the figures, contributed just £2.2m. In the US, LOF suffered a contributed just £2.2m. Mr Pilkington blamed this on the effects of a price war in the did however say that the dilntive part to £25.2m, mainly due to a cut-back in orders from General Motors, the subsidiary's principal in the figures, contributed just £2.2m. Mr Pilkington blamed this on the effects of a price war in the did however say that the dilntive part to £25.2m (£115m).

The boost in trading margins, from 12.5 to 13.8 per cent, from £25.4m (£115m).

Capital expenditure and the cost of acquisitions amounted to cost of acquisitions amounted to £641m; research and development absorbed a net £52.3m (£43.4m). At the year end, net borrowings stood at £398m (£296m), giving a debt-equity ratio of 39 per cent, up from 28 per cent. Financing costs were £37.4m (£35.9m), and tax took £100.1m (£79m).

In total, flat and safety glass generated profits of £238.9m (£193.2m); glass and mineral fibres: £25m (£23.8m); opthalmic products and special glass:£13.8m (£10m.); electro nptical' (defence):£5.7m (£9.9m); aircraft and special products:£4.5m (£1.5m). Group licensing income customer. Barnes-Hind and Cobing the acquired companies with urn, the eye-care companies Sola Pilkington's existing opthal-bought from Revion and included mic business. "Further rationalisfor six months in the figures at ion is to be constant as a story in the figures."

(£30.1m). Group incensing income was £24.7m, down from £29.8m. In the figure and related companies contributed £34m (£30.1m).

BP moves closer to Lear deal

By Steven Butler

British Petroleum has moved several steps closer to completing its \$250m (£139.76m) acquisition of Lear Petroleum, the US gas distribution company, following approval of the proposed take-over hy holders of Lear common

The takeover terms for the trouhled company were recom-mended by the Lear board. Holders of preferred stock also gave their approval to proposed redemption amendments for pre-

ing with the acquisition.
It said yesterday that most holders of senior exchangable holders of senior exchangable variable rate notes have agreed to tender up to \$88m (£49.2m) of the debt for \$820 per \$1,000 principal. Under this agreement, after the merger, BP America would guarantee principal and interests of outstanding notes and change the redemption price to 105 per cent of principal amount until November 15 1989.

Of the \$12m (\$6.7m) additional

Of the \$12m (£6.7m) additional deht needed to reach \$100m (£55.9m), as of June 13, \$9.2m (£5.14m) of 9 per cent convertible had been tendered, as well as

extended until June 20. BP America has otherwise refused to guarantee debt previ-ously issued by Lear, and holders of these instruments who fail to accept the tender offer would have to take their chances on

Lear quickly recovering. BP announced the acquisition in early Fehruary and offered \$2.65 per common share and \$8.50 for each preferred share. The acquisition is BP's biggest expansionary move in the US since it acquired Standard Oil last year. | from Bond Fund. Sca

man of Hodgson Holdings, the share issues and vendor placings the UK's largest quoted funeral director, said yesterday he hoped to of 33 companies since the year announce before the end of the end.

Mr Howard Holdson, charter the said yesterday.

Mr Hodgson said the number of funerals which the company could conduct in a year had summer a joint agreement with an unnamed life assurance company, to provide financial services for bereaved clients.

introducing a new corporate image, nearly matched its fullyear profit figure at the halfway stage, more than trebling pre-tax profits to £2.3m in the six months to April 30, against £605,000 in the equivalent period.

Turnover at the USM-quoted company rose from £2.08m to

A further 35 acquisitions are being negotiated and should be complete before the 1987-88 year-

Mr Hodgson, who last year of the 35 acquisitions currently orried the City by hinting at under negotiation, he added.

Shares in the company – the worried the City by hinting at plans to buy a financial services operation, said it had taken a long time to find the right life to assurance company for the joint venture, which would provide cli-

ents with financial advice both before and after the funeral. He

BOARD MEETINGS

Delly Mail & General Tat Electre Management Svo Hardys & Hansons Micarilly River & Merc Amer Cap

could conduct in a year had increased from about 27,000 at the year-end, to nearer 35,000 at the interim stage. This would rise to about 40,000 with the inclusion

 £40m has been raised with three placings. This inevitably puts pressure on earnings and observers were beginning to fret that while profits moved ahead. earnings per share would stag-nate. Diversification into financial services provides a basis for organic growth, and, as Mr Hodg son points out, also fits in with the new corporate image, which is more in tune with chartered accountancy than undertaking,

On the other hand, there are plenty more acquisitions possible - Hodgson may have a larger

The airline at present leases seven BAC 1119 from Tarom, the Romanian airline, and will

Williams Holdings

Williams Holdings has acquired LF Knight, a private company which makes sumsideration was £1m - £400,000 to be satisfied by the issue of 10 per cent convertible unsecured Ioan stock 1998, £425,000 by the issue of shares and the balance in cash.

Acquisitions propel Hodgson to £2.3m

MR HOWARD HODGSON, chair- held back slightly as a result of an assurance company," he said declining. So far Hodgson's vora- cious appetite for smaller under takers has been fuelled by party.

Mr Hodgson said the number of takers has been fuelled by party.

Hodgson, which is gradually

Turnover at the USM quoted declined to name the company redemption amendments for preferred shares.

BP also appears to have nearly reached its goal of acquiring \$100m (£55.9m) of ontstanding the first year to last October 31.

An interim dividend of 1.2p (1p) per share has been declared.

Which is a condition for proceeding with the acquisition.

Turnover at the USM quoted declined to name the company to the company rose from £2.08m to introduce financial advice into the range of services available at its funeral share of the market still loosed.

The first year to last October 31.

An interim dividend of 1.2p (1p) by the extent of what is going to happen and the amount of cross-forming with the acquisition is the only way for a funeral director to expand, given that the national death rate is worth holding.

declined to name the company

July 14 July 21 June 20 June 27 July 21 June 20

Issued and

comment Hodgson's plans to introduce

Low volume and high costs hit Mansfield Mansfield, the Nottinghamshire drain on Mansfield's financial brewer, yesterday reported pre- and management resources, contax profits of £5.9m for the year tributed an operating profit of ended April 1 1988, compared with £7.3m last year.

The City had forecast a stand-division experienced a fall in a continuing its investment programme in the tied estate- a is hid-proof, as it is controlled by move which means the finance charge of £4.38m will not go ity sbareholders. The brewer's portfolio of brands has been extraordinated in the product of the product

The City had forecast a standstill in profits and the share price
dropped 10p to close at 375p.
Earnings fell to 25.2p per share
(30.8p), but the final dividend is held at 6.75p for an unchanged 9p
total.

The core brewing and retail down by around five

The core brewing and retail down significantly in 1989. An portfolio of brands has been extraordinary item of 55.82m strengthened with the introduction of foster's and Red Stripe, a move which should help arrest of the soft drinks business compared with 184.73m last year.

Mr Ron Kirk, acting group managing director, said beer total. inle notes. Of the the Senior Exchangeable Variable Rate Notes, some \$14.6m (£8.16m) has already been tendered.

The offer for acquiring the outstanding debt issues was similarly and the senior including advertising, went up.

The offer for acquiring the outstanding debt issues was similarly and the senior total.

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The offer for acquiring the outstanding debt is sues was similarly and the senior total.

The offer for acquiring the outstanding debt is sues was similarly and the senior total.

The offer for acquiring the outstanding debt is a classic example for the brewer's own between the suesting the own below to the senior total.

The offer for acquiring the outstanding the outstanding the outs

The Financial Times proposes to publish a Survey on the above on

ALUMINIUM

26th October 1988

For a full editorial synopsis and advertisement details, please contact:

Anthony G. Hayes

on 021-454-0922 or write to him at:

Financial Times, George House George Road, Edgbaston Birmingham B15 1PG

FINANCIAL TIMES

This advertisement is issued in compliance with the Regulations of the Council of The Stock Exchange.

Listing Particulars relating to Eurocopy PLC ("the Company") have been delivered to the Registrar of Companies in and Wales. Application has been made to the Council of The Stock Exchange for the ordinary share capital of Euroco insued and being issued to be admitted to the Official List. It is expected that Listing for the Ordinary shares will become on 23rd june, 1988 and that dealings will commence on the same day.

TODAY



EUROCOPY PLC (Registered in England under the Companies Acts 1948 to 1967 No. 955315)

Placing by Panmure Gordon & Co. Limited

Eurocopy PLC is one of the United Kingdom's largest independent specialist suppliers of photocopying and facelmile equipment predominantly operating in London, the South East and the North of

of 9,781,621 Ordinary shares of 5p each at 95p per share

Share Capital

fully paid £1,956,324.15 Anthorised Ordinary shares of 5p each

The Ordinary shares of Sp each now being placed will rank part passe in all respects with the existing Ordinary shares of Eurocopy PLC including the right to receive all dividends and other distributions declared, made or paid hereafter on the Ordinary shares of Sp each of Eurocopy PLC.

In accordance with the Rules and Regulations of the Council of The Stock Exchange, Pannage Gordon & Co. Limited and Henderson Crosthwaite Limited are placing 7,336,215 and 2,445,406 Ordinary shares in the capital

Listing Particulars relating to Eurocopy PLC are available in the statistical services of Extel Financial Limited. Copies of the Listing Particulars may be obtained for collection only during normal business hours (Saturdays and Public Holidays excepted) up to and including 17th June, 1988 from the Company Announcements Office, The Stock Exchange, 46-50 Finsbury Square, London EC2A 1DD, and up to and including 30th June, 1988 from the Company's registered office, Northern House, Moor Knoll Lane, East Ardsley, Wakefield WF3 2EE

Panmure Gordon & Co. Limited 9 Moorfields Highwalk London EC2Y 9DS

16th June, 1988

3,572 . 3,572,435 Cost of sales Net income 20.37 (in Yen) Earnings per share.....

Balance Sheet (Merch 31, 1988) in Millions of Yen Liabilities and Shareholders' Equity455,088 Cash and time deposits. Bank loans and current portion of trade... .505.853 Other current liability Other current assets431,861 Long-term liabilities..... Property, plant and equipment..... 737,920 Shareholders' equity......717,938 Total assets..... .3,459,133 Total (labilities and

> In Touch with Tomorrow TOSHIBA CORPORATION

Redland in \$36m US deal with Koppers

By Philip Coggan

Rediand, the UK bnilding materials group, has acquired the remaining 50 per cent of Western-Mobile, a US aggregates group, for \$38.4m (£20.4m).

Western-Mobile was previous

Western-Mobile was previously a joint venture between Redland and Koppers, the US aggregates and chemicals group which recently was taken over for \$1.73bn by UK building group Beazer. The consideration for the

ontstanding 50 per cent is equivalent to the book value of the assets being acquired. Western-Mohlle has aggregate reserves of over 200m tons; its annual level of ontput is approximately 7m tons of aggregate, 1m cubic yards of ready mixed concrete and 2m tons of coated stone.

Ryanair rises to I£0.9m and sees further growth

By Kleran Cooke in Dublin

Ryanair, an independent Irish carrier which started operations in early 1985, announced after tax profits of I£919,000 (£787,017) to the end

of last year. Turnover was I£18.2m (£15.59m) compared with 1£4.2m (£3.6m) in the previous 21 months. The sirline said it carried 416,000 passengers in 1987 and expected this figure to increase to 720,000 this

Ryanair is a privately held company with more than 80 per cent of the shares held by the family of Mr Tony Ryan, the head of GPA, the world's largest aircraft leasing company based at Shannon in the south west of Ireland.

soon take delivery of two leased Airbus A320s. Mr Engene O'Neill. Ryanair's chief executive, said

he expected company turnover to increase to £30m in 1988.

Yale and Valor boosted by US acquisitions

Yale and Valor, the locks and Yale and Valor, the locks and domestic appliances group, yesterday reported pre-tax profits of \$34.5m for the year to March 31 - a year in which the company quadrupled its size by huying two US companies, Yale and NuTone for \$225m.

for 5285m.

A good performance from the new businesses together with a lower than expected tax charge tempered the adverse currency effects and beloed produce results that were better than these forests at the time of the those forecast at the time of its acquisition. The dilution in earnings was less than half that pre-dicted, with a drop in earnings per share from 24.9p to 24.4p. The profits, which were boosted by a nine month contri-bution of \$22.6m from Yale and NnTone, increased from a pre-tax total of £10.5m last year. Turn-over increased from £129.1m to £295.8m.

£295.8m.

Mr Michael Montague, chairman, said that all the companies within the group had performed well, with the strongest performances coming from Yale and NuTone which beat their budgets. All the company's activities had got off to an excellent start in 1988, and showed an advance above the figures for the start of the previous year, he said.

NnTone, supplier of huilt-in home products, is introducing new products which should

new products which should lessen its dependence on housing starts. The weakness of the dollar has meant that products previously sourced overseas can now be manufactured in the US.

The production and efficiency of the Yale businesses are to be increased at a cost of several mil-

Far East are now being made more cheaply in the US, Mr Montague said that further small acquisitions are planned in existing business areas. In particular, further expansion is being examined in Continental Europe where the company has manufac-turing plants in Spain, Italy and Sweden. At the year end, the company had cash of £15.9m

Home products accounted for £74.9m sales and £10.8m profits and other businesses contribut-ing £39.1m sales and £3.6m prof-



came from North America with 51 per cent of turnover and 36 per cent of profit originating in

Europe.
An extraordinary charge of £2.7m (£1.2m) resulted from reorganisation and disposals. Directors are recommending a total dividend of 7.5p (5.77p) of which 1.8p was paid at the half

comment

Just one year on from Valor's audacious foray into the US, the jury is still out on the deal. The evidence, however, looks encouraging. In spite of the slump in the
dollar and the vagaries of the US
economy, the acquisitions have
barely diluted earnings - an
achievement that would have
impressed analysts even in the
more optimistic days of last June. increased at a cost of several minimum of the more optimistic days of last June. The benefits of a lower tax increased business to the US. The benefits of a lower tax charge aside, that reflects a boom year for Yale, courtesy of the wave and a strong year for crime wave, and a strong year for NnTone (which is not expected to suffer from the hiatus in housing starts that followed the October crash). The simple fact that the companies need no longer be milked to service funk bonds, has boosted morale and meant greater investment in new products. Now, they are set to benefit from new sales and marketing management, which should help Home products accounted for them expand in new markets in £181.8m of group sales and £20.1m both the UK and US. A turn-of profits with security producing around on interest charges plus strong growth in the US and a steady, if unexciting improve-ment in the UK should kick prof-The geographical breakdown showed that 45 per cent of turn-over and 63 per cent of profits

The geographical breakdown puts the shares, unchanged at 278p, on a reasonable multiple of the control of profits.

医髓 电光线记录

A Maria Car

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding div	Total for year	Total last year
Airsprang §fin	4.2	July 29	3	7.4	5.9
Bassett Foodsfin	5.74	July 29	5.29	7.81	7.24
Laybithefin	2.25	Aug 8	-	3#	-
lodgson Hldgsint	1.27	Sept 16	1	•	2.3
forne (Robert)int	2.5		2	-	7
ondon Scottishint	0.65	July 29	0.55	-	1.8
yons Irishfin	6.54		5.8	10	
lansfield Brew'yfin	6.75	Aug 10	6.75	9	9
Vorton Opaxint	1.5t	Oct 3	1	-	6‡
likingtonint	6.05	Aug 19	5.17	8.41	7.33*
hermal Scientfin	2.81	-	2.25	4	3.25
Vaddington (J)fin	3.5	July 23	3.1	6.6t	6
Vagon Industifin	7.5	Oct	6	12†	10

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. tOn capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. §Third market. For 18 months. *For 15 months. Airish currency.

SPONSORED SECURITIES Yleld % 185 Ass. Brit. led. Ordina. 186 Ass. Brit. led. CULS. 8.6 67 3.7 10.2 140 107 270 143 145 112 146 137 Bray Tech 107 100 Brenkill C 10.3 4.6 4.1 ntelli Com, Pref 10.3 4.2 9.2 9.2 15 6.8 3.7 24 26 27.7 3.9 7.7 3.3 89 7.3 5.7 7.9 Securities designated (SE) and (USM) are dealt to subject to the rules and regulations of The Stock Grandit & Company Limited 8 Lovet Lase, London SC3R 12P Telephone 91-621 1212 Member of TSA B Lovat Lanc, London ECIR ERF Telephone 01-621 1212 Member of the Stock Exchange & TSA

Public Works Loan Board rates

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I	Over 2 up to 3	9	9	9%	10	10	97
ı	Over 3 up to 4	9	9%	9%	10	181/4	10
ı	Over 4 up to 5	9%	9%	9%	18%	10%	10
ı	Over 5 up to 6	91/4	9%	9%	9%	9%	97
ŀ	Over 6 up to 7	91/4	91/4	9%	9%	9%	10
ı	Over 7 ap to 8	9%	9%	9%	9%	9%	18
ľ	Over 8 sp to 9	9%	9%	9%	9¾	9%	10
١	Over 9 up to 10	91/4	9%	9%	9%	9%	10
ł	Over 10 up to 15	91/2	9%	9%	10	10%	10
ı	Over 15 ap to 25	914	91/4	9%	10	10	97
1	Over 25	9%	9%	9%	9%	9%	97
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Waddington moves ahead by 44% to £17.6m Packaging side helps Norton

John Waddington, packaging, printing and games group, achieved a 44 per cent growth in pre-tax profits to £17.56m in the on to customers, also hit profits year to April 2 on turnover up 31
per cent at £172.47m.
Mr Victor Watson, chairman,
Waddington's Mono-Web self-

said: "It was a solid year of prog-ress, though putting things right - as well as product develop-viding revenues. Capital investment - was achieved only at

Difficulties occurred in the packaging division, where Johnsen and Jorgensen, plastic containers and elegence the proposed final of 3.5p lifts the dividend for the full year by 10 per cent to 6.6p (6p). Earnings tainers and closures business per share are up 7.6 per cent at acquired last June, turned out to 17.5p. be more problematic than Wad-dington at first realised. How-ever, Mr Watson was hopeful for tax profits and £16.9m to turnthe future following a change of over. At the pre-tax level, packag-

ment overall was 42 per cent higher at £14m.

were less than 1 percentage point down at about 11 per cent. This products, such as dual-ovenable tional ovens) and circular tubs

security, Gilmour & Dean, Scot-tish colour printer, performed well and the group edged further out of the most competitive areas of business forms, moving into more customised work.

turnover of £90.74m, husiness on similar volumes as Waddingforms and security printing ton dropped some poor-perform£4.73m on £56.78m and games in products in Canada and as sales of some of its established lines such as Subhnteo, the foottics, margins in this division ball game, enjoyed a surge.

children opening bottles of pills to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming the coming to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming the products in the coming to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming the products in the coming to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming the products in the coming to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming the products in the coming to a material that prevents pizzas going soggy in the oven. Factoring in a less sharp appreciation in resin prices in the coming the products in the coming the p tax profits of £21.5m, putting the shares, which have been lackluswas thanks to a strong performance from various added-value difficulties last year, analysts of 19. The company's array of which included sales of associproducts, such as dual-ovenable were generally cheered by the attractive packaging products, and the companies of \$129.53m trays (for microwave or conven- confideot tone of Waddington not to mention the strong brand (£96.28m) yesterday - although not suffi-ciently to up their forecasts. The include such stalwarts as Monopfor margarines.

Within business forms and company is at least giving the oly, could make it an attractive proposition for predators. But impression that it has its prob-proposition for predators. But lem areas, such as Johnsen and none has emerged since the bids Jorgenson, under control; mean-from Robert Maxwell and Norton while, it continues to excel at Opax a few years ago, and Wad-transforming technical break dington has a number of loyal throughs into saleable items, supporters on its shareholders'

ing manager of Burnett and Hal-

Opax to over £14m

bnoyant demand

zine printing, £1.18m (£830.000)

the second half last time.

Norton Opax, printing group, achieved interim pre-tax profits slightly ahead of City expectations at £14.11m, as against £7.79m last time.

About half of the increase in pre-tax profits in the six months to end-March was achieved by reduction of interest charges through the £46m rights issue last August and other income, such as royalties. Net interest payable fell to £261,000 from

Mr Richard Hanwell, chief executive, said the group was enjoying buoyant demand for its products around the world and was investing in terms of acquisi-Star performer of its seven

where profits before interest and tax rose to 53.22m (£1.35m). Mr Hanwell said cartons (which are paper, and so unaffected by recent rises in plastics raw materials costs), envelopes and labels all performed well. Special prod-ucts were also a bright spot, benefiting from strooger European demand for lottery tickets, and profits rose to £1.79m (£790,000). Elsewhere, profits at the pre-in-

terest level broke down to £2.5m (£2.7m) for security products, £1,35m (£950,000) for book printing, £560,000 (£160,000) for magacheque printer, was described by Mr Hanwell as "an absolute snip" at £21.3m.

credit of £455,000, mostly representing profits on disposals. Earnings per share came out at 6.08p (5p). The interim dividend is raised to 1.5p (1p).

The Norton Opax story has been a rather unthrilling one of rationalisation and integration for more than eighteen months, and the share price has reflected not only impatience with the unconscionably long time the absorption of McCorquodale was going to take, but also some doubt as to whether Norton could Richard Hanwell:enjoying pull it off. However, it seems the company is avoiding mistakes, pursuing sensible policies successfully, and looking forward for commercial printing, and \$2.78m (\$2.06m) for the internawith the commencement of its acquisitions programme (though none of the new businesses will tional division. The security printing side was affected by make a contribution to profits lower demand from Midland this financial year). The com-Bank and the costs of integrating pany's scope for further buys is the old McCorquodale plant. Bra-zilian operations made no contri-the moment. Without getting bution, after a £750,000 profit in excited about the dollar's current During the interim period, Nor- not pinning any hopes on an ton Opax spent about £3.5m on improvement in Brazil, analysts buying Australian credit card are pitching expectations for full businesses. Last month, it spent about £7m on a New Zealand The prospective p/e of just over security printer. The May acquisition of Interchecks, the US shares are not to be chased.

Games achieved higher profits ranging from new ways to stop register. management and new productive ing provided profits of £10.05m on Geevor plans Cumbrian coal mining expansion

Geever, operator of the Cornish man who also owns 30 per cent of shovel. tin mine which resumed Mainband, said that if the takeoperations in February, may acquire a Cumbria based coal mining group, which has permission to develop the largest private underground coal mine in

Takeover talks are taking place with Mainband Colliery Company, which has reserves of 9.5m tonnes at Whitehaven and is capable of producing 150,000 tonnes a year for power stations, and the domestic market. Mr Eric Grayson, Geevor chair-

over proceeds, the £3m construc-tion of the mine would start next

month, with coal production starting a year later. The projected output of about 3,000 tonnes a week would be about 10 times bigger than that of many small British mines. which typically have reserves of

about 0.5m tonnes. Geevor's only other coal mine, in Lancashire, has reserves of 300,000 tonnes. Its thin seams are worked by 16 men with pick and

Productivity is planned at 20 rable with that at British Coal's

Selby "super-pit". elby "super-pit".

cation through a one-for-one "hundreds" of jo

Were the Government to lift rights issue. As a first move it said Mr Grayson.

Production from Whitehaven's ministers have receotly been sugmore than the control of the castle Colmore than the castle Colmo jobs for 30 men, the maximum tonnes a year which can be legally employed some of the below ground in a private coal British Coal.

The potential acquisition is part of a Geevor plan announced

tha limit on manning levels, as paid £325,000 in shares for Euro-

The Whitehaven coal is on the seams which run through Haig Colliery closed recently by Brittonnes per man/shift, nearly four earlier this year to seek areas Colliery closed recently by Brittimes more than that of British fordiversification from the minimum ish Coal. With more than 1,500 ing. Last April, Geevor sought to out-of-work miners in the area, raise £2.9m to fund the diversifi-Geevor has already received "hundreds" of joh applications

Ex-Falcon chief attacks plan to divide company

BY PHILIP COGGAN

MR RONNIE MONK, the former announced on Tuesday that plans chairman of oil and gas company for a capital reconstuction and Falcon Resources, has spoken ont relisting had been abandoned.

Monk and a fellow director Mr A
J Aman, attack the actions of Mr
would be sold separately.

were suspended in October 1985 ment with an investment bank, for what Mr Monk then indicated would be 16 days, pending news of an acquisition. The acquisition Should the peir not treat this profalled to occur and despite fre-quent promises of a resumption of dealings the shares have intend to requisition an extraor-

against the new management's Instead, they planned to split the plans to split the company in company in two — with the US oil and gas interests possibly being sold to an unnamed listed

Oliver Jessel and Mr Jonathan
Rosen since they took management control of the group.

Shares in Falcon Resources
Shares in Falcon Resources
Shares in Falcon Resources
Shares in Falcon Resources
Shares in Falcon Resources stayed suspended since then. dinary general meeting to Mr Jessel and Mr Rosen remove them from the board.

Lyons Irish expands 12%

PRE-TAX profits at Lyons Irish \$3.91m (£3.93m), but this was Holdings, the Irish wholesale tea more than offset by income from merchant and cake manufacturer other financial assets of £363.000 which is a subsidiary of Allied- (£22,000) and interest receivable Lyons, moved np 12 per cent np to £1m (£773,000), from £4.71m to 1£5.27m (£4.52m)

for the 52 weeks ended March 5.

Trading profit declined to year.

After tax slightly raised at £816,000 (£747,000), earnings This was despite a turnover figure down £4.9m to £33m. The previous year was for the 53 weeks ended March 7 1987.

The 52 weeks enter March 52 worked through at 29.7p (26.4p). The directors have recommended a final dividend of 6.5p (5.8p) to make a total of 10p (9p) for the

COMPANY NEWS IN BRIEF

PRUDENTIAL PROPERTY Ser-

in cash and shares. PUBLISHING HOLDINGS, which tors are proposing to change its trades on the Third Market, has name to international Communicompleted the disposal of its pubcation and Data (ICD).

PRIDAY METFORD, flour miller, lishing division to a management has been bought out by its man-agement from existing family Consideration is £1.18m; with £1.09m in cash and provision of advertising, conference and exhivices is acquiring Sturgis & Son. bitton space. Its continuing activ-for an undisclosed consideration ities are information services and direct marketing, and the direc-

TOWARDS A SINGLE EUROPE

The Financial Times proposes to publish this su

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Application has been made to the Council of The Stock Exchange for all of the 8½ per cent. cumulative redeemable preference shares to be admirred to the Official List.

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(Holdings) PLC Jason House Bradford

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16th June, 1988

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In February, British Airways was seeking 12-year debt finance. We placed US\$250 million of bonds in the Far East the first time a foreign airline had used this particular source

of funds. The terms allowed the company significant operational flexibility.

In March, United Biscuits required capital to finance part of the acquisition of Ross Young's. We tapped continental markets with a new kind of Euro-convertible, giving a better trade-off between investors' desire for risk protection and the company's need for low cost funding.

We used a similar instrument in a financing launched by

Slough Estates. The company was able to harness the resources of the international banking community, alongside the domestic market. to underwrite a Euro-convertible through a classic UK rights issue.

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we developed the Variable Rate Note, adapting

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tag on

puts £37m

Eurocopy

Eurocopy, photocopier distrib-utor, is joining the stock mar-ket in a placing which values the group at £37.2m.

The company geogrates around 55 per cent of its reve-nue from equipment sales with

the rest coming from recurring income in the form of maintenance contracts and a metered charge on the number of photocopies works.

In 1988, the group began to distribute facsimile equipment which it sees as a major area of expension in future years.

Profits before tax and excep-

tional items have grown from £855,000 in the year to October 31 1983 to £2.57m in the year to September 30 1987. This

year, the company is forecast-ing pre-tax profits of not less than £3.2m.

Of the £9.3m being raised in the placing, £2.4m is heing allocated to fund future expan-

Panmure Gordon is placing

price. The expected gross divi-dend yield is 3 per cent.

Wagon agrees £39m bid for Banro

Wagon Industrial Holdings, where existing interests range from material handling and atorfrom material handling and atorage to office equipment, yesterday univeiled a 21 per cent advance in pre-tax profits and a £39.2m agreed offer for engineering group Banro Industries.

Mr John Hudson, Wagoo's chief executive, said the deal would enable the group to create a fourth automotive products.

a fourth automotive products division. This, be suggested

might account for 15 per cent of the merged group's sales.

Banro directors have given irrevocable undertakings to accept the all-paper offer in respect of the their combined 5.1 per cent boldings. Yesterday John Hndson: deal would wagon's advisers. Lazards, picked up a further 14.9 per cent antomotive products division through the market. Bromsgrove Industries, which bad acquired about 4 per cent of Banro, said it had sold its shares at 249p, for a profit of around £423,000, to

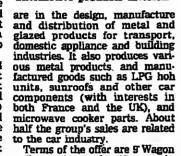
In March, Banro reported a 34.4 In March, Banro reported a 34.4 per cent advance in pre-tax profit to £3.4m, oo sales 24 per cent higher at £50.2m it alsoiaunched a £5.6m rights issue, partly to reduce borrowings. Wagon said yesterday that a net cash balance remained, and that gearing of the combined group should stand at around 20 per cent. Its own gearing at end-March was about 32 per cent. per cent.
Banro's principal operations

Drayton Japan

scheme allows sharevoide.

either to switch into Drayton Far respective terms.

Eastern, or into newly-created LONDON & METROPOLITAN has acquired for £950,000 the free-



ues Banro shares at 2460 each (assuming 1000 for the convert-ibles). Banro shares rose 350 to 2350. Bromsgrove gained 30, at

Wagon lifted its profit from £7.54m to £9.15m in the year ended March 31 1988 following a sales rise from £95.2m to £124.6m. The figures benefit from an 11-month contribution from Wefco, which makes storage tanks, and five-months from Radford of Brisnve-months from Radiord of Bris-tol, manufacturer of supermarket refrigeration aystems, and Bir-mingham-based Precision Engi-neering. Together acquisitions contributed just over £1m to trad-ing profit — up from £7.56m to £10.2m.

However, financing the purchases also told in a higher interest charge (£1m against £15,000) reducing the contribution at the pre-tax level to around £400.000. Earnings per share after a 36 (33) per cent tax charge, are 13 per cent higher at 28.3p. The final dividend is 7.5p for a total of 12p

comment

Acquisitions certainly belped the Wagon figures, but the pic-ture would have been even more ordinary shares plus 29 converit creditable had there not been gests Wagon. That said, the participating preference above-tbe-line costs of some shares for every 23 Banro. With \$400,000 as the company sorted by any measure, and the yard wagon down 16p to 307p, this value out its UK office equipment intervalue.

Wagon Industrial 400 350 250

87

ests. Hopefully, problems there are now resolved, and elsewhere business seems generally hrisk. That leaves the pundits predicting £11m-plus from Wagon in the current year giving earnings of just under 35p a share. To prevent dilution (ignoring the convertibles) Banro would need to make around £5m and perhaps 2%m to be added from costsavings - targets which analysts seem to feel are fairly feasible. On a fully diluted basis, matters look a little less pretty - earn-ings dilution could be around 4 per cent in the current year, suggests Wagon. That said, the rating does not appear demanding by any measure, and the yield is

COMPANY NEWS IN BRIEF

hold and leasehold interests of 41. fied by £488.748 in cash and the Town Centre, Hatfield, Herts. The property will be refurbished to provide three retail units, two of which are already under offer

APPOINTMENTS

Group has bought five wholly-owned subsidiaries from Willett of Chicago for \$6m (£3.25m) cash. issue of 143,696 ordinary shares. MONOTYPE CORPORATION has received full planning permission

E UPTON & SONS has reached agreement with shareholders of Mulifarm - to be renamed Brit-tains of Rotherham - for the acquisition of 92 per cent of the for the redevelopment of its to substantial multiple retailers.

MICROGEN HOLDINGS is acquiring Imagen, laser printing bureau operator based in the Docklands area of London. Consideration is £850,000, to be satis-

Thermal Scientific hoisted by 34% thanks to acquisitions

which specialises in the manufac-ture of electric vacuum furnaces for laboratory and industrial users, scientific instruments and polymer equipment, yesterday reported full year pre-tax profits up 34 per cect from £5.5m to £7.38m. Turnover for the year to March 31 1988 increased by 39 per cent to £51.2m (£36.72m).

Earnings per share rose by a more modest 5.5 per cent, from 14.4p to 15.2p, and a final dividend of 2.8p was recommended making a total for the year of 4p

"Taking into account the October crasb and the decline of the dollar, the company has made good progress overall," said Mr Hugh Sykes, chairman.

Thermal bas been highly acquisitive since it went public in 1983, hnying 15 companies in five years. This acquisitiveness, and

Suffolk Radio back in black

9.78m shares, 25 per cent of the equity at 95p each. The shares are on a prospective p/e of just over 16 at the placing Suffolk Group Radio, which operates Saxon Radio in Bury St Edmunds and Radio Orwell in Ipswich, has reported balf-year profits to March 31 of £127,000 compared with losses of £6,900 for the same period last year. Turn-over at £611,900 was 18 per cent

> Mr Martin Corke, chairman said it was a most encouraging result and a further step towards eliminating the company's deficit, which now stands at £166,100 The current trading performance was exceeding the company's tar-

BOOSTED BY acquisitions and property profits Thermal Science company's business is in the US, tific, the Sbeffield-based company prompted the market post crash-

to knock down Thermal's shares from 350p to 150p.

While acknowledging the impact of the dollar - fluctuations impact of the dollar. Indictiations clipped £240,000 off profits this time and the figure would have been £440,000 but for hedging. Mr Sykes is convinced that long term the decision to expand in the US is the right one. The US companies accounted for £3.43m of the £7238m over two profits a £8.

The core vacuum equipment just under £8m, putting the business, tha largest product shares on a prospective p/a of 9, group, almost doubled profits.

Ccomment

Thermal Scientific will be quite Thermal Scientific will be quite pleased to have put this year behind it. If yoo acquire and expand as rapidly as it bas you are almost bound to trip across a few management problems, and it did. A new group managment structure, which will focus the group more, looks on the cards, and the emphasis for the next couple of years will be on consolidation. The market was aware of dation. The market was aware of the problems at the three subsidof the £7.38m pre-tax profits, a 68 per cent rise on tha US contribution last time, despite the weakness of the dollar.

The pre-tax figure includes £560,000 property profits and a £1.43m contribution from acquisitions, resulting, overall, in no organic growth. "Seven of our 16 Assuming no property profits and commanies made record profits." companies made record profits and five made good profits," said Mr Sykes, "but three made losses and ona broke even."

this time, and continued uncertainty over the dollar, the pre-tax forecast for the current year is and ona broke even."

Shareholders of Drayton Japan, the MIM-managed investment trust yesterday gave the required approval allowing remains to subscribe for 11.15m ordinates to subscribe for 11.1 revised reorganisation proposals nary from 112p to 80.52p. All to become effective The revised other outstanding stock has also scheme allows sharebolders been adjusted in accordance with

GPG: Following its demerger from Guinness Mahoo Group on June 6. GPG has adjusted the

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Notice is hereby given that the Registered Office of Philips Finance PLC has changed to:

Philips House, 188 Tottenham Court Road, London WIP 9LE

PROFIT BEFORE TAX UP 21%

Summary of results for the year ended 31st March 1988

up 21%

up 20%

up 19%

up 13%

**After significant growth in 1987/88 the Group is well

positioned to continue expansion in the current year as

trading results and order books are comfortably ahead of the same time last year. We have today announced an agreed offer for Banro Industries pic which provides an

important step forward in the development of the Group.**

Sales

Pre-tax Profits

before tax

after tax

WAGON

INDUSTRIAL

HOLDINGS p.l.c.

Dividend per share

Earnings per share

Earnings per share

1988

£9.1m

12.0p

44.7p

28.3p

Paul D. Taylor, Chairman 15 June 1988

The Prospect Group, Inc.

has acquired through

The Cheerleader Group, Inc.

a company formed by

The Prospect Group, Inc. and Kleinwort Benson Limited as lead equity

investors with certain members of management

The Athletic Apparel Division

BSN Corp.

The undersigned initiated this transaction, procured the senior

debt and the mezzanine financing, and acted as financial advisor

to The Prospect Group, Inc.

Kleinwort Benson

Copies of the Report and Accounts may be

obtained from The Secretary Wagon Industrial Holdings p.l.c., Haldane House, Halesfield, Telford, Shropshire, TF7 4PB.

Telephone: (0952) 680211

up 31% £124.6m £95.2m

1987

£7.5m

10.0p

37.6p

25.1p

Managing director at Harvey Nichols

The DEE CORPORATION has appointed the EES GROUP, the holding company formed to acquire European Electronic Systems.

The DEE CORPORATION has appointed the EES GROUP, the holding company formed to acquire European Electronic Systems.

TRIES (HOLDINGS). Mr Fearfield was appointed regional manager for North America and president of Laporte inc in 1986. Dr Seidl is deputy managing director. Ha was appointed in 1986. Dr Seidl is deputy managing director of Charles Barker City.

Mr John Armstrong has been appointed chief executive of the EES GROUP, the holding company formed to acquire European Electronic Systems.

Mr Simon Dixon has hecome managing director of YELLOW-HAMMER FINANCIAL. He was a non-executive director. Ha was deputy managing director of Charles Barker City.

Mr John Armstrong has been appointed chief executive of the EES GROUP, the holding company formed to acquire European Electronic Systems.

Mr Simon Dixon has hecome managing director of YELLOW-HAMMER FINANCIAL. He was a prointed director of Peroxid-Chemie Gmbh, a European Interox company, which he joined as a charmet in the property of the EES GROUP, the holding company formed to acquire European Electronic Systems.

Mr Simon Dixon has hecome managing director of Charles Barker City.

Mr John Armstrong has been appointed the EES GROUP, the holding company formed to acquire European Electronic Systems. company, which he joined as a chemist in 1969.

Mr John A. Palieschi has been appointed a director of corporate development of MEMOREX TELEX. Mr Dick Fassino has been promoted to the new post of director of banking and securi-ties Mr Palleschi was interna-tional counsel of Telex World Trade and Mr Fassino director of finance and administration of Telex Eumea, Neuchatel.

HAMMERSON PROPERTY INVESTMENT & DEVELOP-MENT CORPORATION has appointed Mr Michael M. Gill to its board. He was the senior executive responsible for tha company's European activities.

CHRISTIAN SALVESEN is making the following board appointments on July 1. Mr Freddie Craig, managing director of the newly-formed distribution divi-sion; Mr Ronnie Irving, president of Merchants Refrigerating Co, and Mr Christopher Mack, man-aging director of the newlyformed specialist services divi-

EVANS OF LEEDS has made two appointments: Mr David Helli-well has joined the group as group estates surveyor and direc-tor of the main property owning company, F.R. Evans (Leeds). He was previously a director of Metestates, the portfolio manage-

trative company, F.R. Evans (Administration).

**
The DEE CORPORATION has appointed Mr. Dervid A.H. Brown as appointed to the first properties of the propert

Mr Ronald Kett has been elected president of the CHARTERED the specialist clothing subsidiary of the James Halstead Group. He INSTITUTE OF MANAGEMENT ACCOUNTANTS. He succeeds was previously with Crowther Mr Michael Heap has been Professor Michael Bromwich. The vice presidents are: Mr Dudmenswear division.. ley Mead and Mr Ronald Griffin.

At MONOTYPE CORPORATION Mr Albert King has become group finance director at MAGNET. Mr Tom Ely has joined the board as director-international operations. He also hecomes chairman of the European management board.

PERKINS ENGINES has appointed Mr Peter Whitaker sales and marketing director of Mr Peter Clark bas been appointed managing director of CARLESS EXPLORATION. He was operations director. Dr Eric Bosshard remains chairman. Its Peterhorough engines business unit. He was sales and mar-keting director of Seddon Atkin-

Dr George V. Wood bas been RESORT HOTELS has appointed appointed managing director of Mr John Levla its operations APPLIED BIOSYSTEMS bas appointed managing director of RANGER OIL (UK) from July 1. He was chief executive of BP

tional investment banking divi-sion. He was previously vice president with Merrill Lynch International & Co in London.

Mr J.W. Webb, general manager of ANDREW WEIR INSURANCE CO. is to retire on June 30. He remain a director. On July 1 Mr John Armstrong has been mr J.T.R. Solder becomes general appointed managing director of BELSTAFF INTERNATIONAL, succeeds Mr Solder as aviation underwriter

> appointed managing director of MGM/UA HOME VIDEO UK. He joins MGM/UA from the Legend Music Group (part of the Pres-twich Group) where he was man-aging director.

Mr Steven Otley has become managing director of PATER-SON-BRONTE a Scottish shorthread, oatcake and biscuit manufacturar. He comes from Esk Frozen Foods, where he was operations director for almost

made Mr Peter Colley managing director of the UK subsidiary. He China He replaces Mr Gordon H. At TYNE TEES TELEVISION Mr replaces Mr Bernard Herd who Bowman, president of Ranger Ian Ritchle has become director now concrentrates on his duties of resources. He comes from as vice president, Europe.

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All the available unit grusts are analysed in a format that en At the symmetre unit trusts are analysed in a format that enables you to compare them quickly and easily. Extensively revised and updated, the Unit Trust Year Book is the essential guide to this fast moving Industry. Private investors and professional advisors will benefit from the comprehensive analysis of the unit trust scene. Published May 1988.

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SPANISH BANKING

The Financial Times proposes to publish a Survey on the above on

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FINANCIAL TIMES

FINANCE & INVESTMENT

For a full editorial synopsis and advertisement details, please contact:

rered Office: Bracken House, 10 Cannon Street, London EC4P 425, seed in England No 980896 **Perhaps** the bravest man lever knew...' and now. ne cannot bear to turna corner Ste-foot-four Sergeant 'Titry' G*T***1. DCM, was partiage the brayest man his Colonel ever image.

But now, after seeing service in Adea, after being booky-trapped and emboshed in Northern Insiand, Sergeant 'Titry' careot bear to turn a corner. For fear of what is on the other side.

It is the bravest man and women from the Services that softer most from mental brankdown. For they have tried, each one of them, to give more, much more, than they could in the service of our Country.

We look after these brave man and women. We help them at home, and in Toepital, We run our own Conselescent Homes and, for those who are homeless and cannot look after themselves in the commands, our Hostel gives permanent, accommodation. For others, there is our

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June 1988

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Robert Horne held back to £7m

Robert Horne, Britain's biggest independent paper merchant and distributor, felt the impact of heightened competition during the six months to March 31 1988 with the increase in pre-tax prof-its restrained to 12 per cent from The other division £6.2m to £7.01m.

Reflecting the effect that com-petition has had on profit margins, turnover during the same period rose 24 per cent from 572.2m to £89.6m.

Sir Kameth Berrill, chairman, said the result represented "steady progress", aided by a "modest" increase in market

The paper merchanting divi-on last year accounted for 94

Sir Kenneth said, however, £2.2m with £1.6m allocated to the for turnover to maintain its presthat subsidiaries outside this purchase of the freehold and ent upward trend. However, the mainstay businesss boosted their refurbishment of the group's Nordecline in the group's markat contributions to over 10 per cent for the first time during the

The other divisions - Atkins and Cripps, the hardwood importer, Truitie, industrial fasteners group and Spectrum Adhesive Coaters — were expected to show continued improvement desired the greatest by the continued improvement. during the current half year. Robert Horne is advanced in a

plan to expand through acquisi-

thampton beadquarters. The interim dividend has been

lifted from 2p to 2.5p, but Sir Kenneth added that the higher interim did not imply that the the final payout will be altered.

comment

The appearance of several new companies in the paper mer-chanting business has forced tion into office equipment and is Robert Horne to deliberately considering the purchase of up to lower its profit margins and rely three companies with turnovers on market expansion to generate he paper merchanting divi-o last year accounted for 94 Investment during the six growth in the sector running at cent of group pre-tax profits. The sector running at months under review totalled 16 per cent there is ample scope

share from 15 to 12 per cent during the past three years has reduced the potential for profits growth. Product price increases introduced during the first half will flow through during the current six months, assisting the full result. The strong balance sheet will comfortably cover the £4m earmarked for capital expendi-ture in the next 18 months, on top of the £2.2m invested during

the March half. Pre-tax earnings

for the year are set to reach £15m (£13.1) to return an earnings per share figure of 30.3p and a pro-spective p/e on the non-voting shares of around 10.

All the UK-based manufac-

Bassett advances to £4m

Bassett Foods, Sheffield-based confectiouery manufacturer, yesterday reported a £420,000 rise in profits to £4.03m pretax for the year to April 1

Sales pushed ahead from £77.37m to £81.63m but gross profits worked through little changed at £24.2m (£24.47m).

At the pre-tax level profits benefited from a reduction in distribution costs to £13.8m distribution costs to £13.8m (£14.27m). There were also lower administration expenses of £5.47m (£5.68m) and reduced interest charges of £775,000 (£818,000).

Earnings amounted to 23.44p (21.02p) and e proposed final dividend of 5.74p (5.29p) raises the total from 7.24p to

turing companies performed satisfactorily.

BV de Paum, the Dutch sub-sidiary, had a successful year, showing encouraging growth in its domestic market.

Wilkinson-Spitz of the US was the only subsidiary not to contribute to group profitability.

Clayhithe nears £3m and has expansion in mind

PROFITS OF Clayhithe, a former and property. They said each was unquoted investment company soundly based and had excellent which last summer reversed into Betec, a quoted engineering group, totalled £2.85m pre-tax for the 12 months to end-March 1988.

The figures included those of the Betec engineering companies for the 12 months to end-December 1987. These companies will continue to draw up their accounts to December 31 even though the group has changed its

though the group has changed its year-end to March 31.

For the year to the end of March 1987 adjusted pre-tax profits for the enlarged group are shown as £2.29m.

Undilnted earnings for the period to last March worked through at 11.84p (10.26p) and fully diluted they were 11.12p (9.71p). The dividend for the 15 months to end-March totals 3p, the proposed final being 2.25p. the proposed final being 2.25p.
The former Betec group paid a
total of 2.2p for the 1986 year.
The directors pointed out yesterday that the changes that had

taken place over the past year had laid the foundations for a strong group with two operating divisions – active investment

It was intended to develop the group's activities into a number of new but complementary areas, including the establishment of a third division. This would probably operate in specialist service areas such as finance, property and human resources and should further strengthen the balance of

Currently, the balance sheet has net liquid assets in excess of £3m.

Prestwick issue

Prestwick Holdings, maker of printed circuit boards, plans to finance expansion through a £2.85m issue of 3,010,306 7.25 per cent convertible preference

The company has forecast pre-tax profits of at least £1.3m for the year to July 31, representing a second half result of £1m.

StanChart Canada in profit again with \$4.9m

By David Lascelles, Banking Editor

Standard Chartered Bank of Canada, Standard Chartered's Canadian subsidiary, is back in profit after accumulating large losses last year. The bank yesterday reported a net profit of C\$4.9m (£2.25m) for the first six months of the

Mr Roderick Henry, chair-man, said he was pleased that the progress shown in the first quarter had continued into the second, "arising from actions taken to overcome the difficul-ties of last year".

"There is every indication that this solid performance will be reflected throughout the remainder of the year," he

In the first six months of in the first six months of last year, Standard Chartered Bank of Canada made a profit of C\$1.3m, but ended the year with a loss of C\$81m after making substantial provisions for bad debts. The loss led to a change of management.

Airsprung maintains second half growth

ond half has given the Airsprung Group a pre-tax profit of \$2.58m for the year ended March 31 1988, compared with £1.77m.

The directors said that every subsidiary within this USM quoted maker of beds and allied products contributed to the result as demand remained high.

Turnover moved up to £29.34m (224.58m) and produced a gross profit of £8.15m (£6.62m). Earnings came to 27.8p (18.6p) and the proposed dividend is 7.4p (5.9p), the final being 4.2p. Also proposed is a one-for-two scrip.

ness, and continued its efforts to 1990.

push up exports in readiness for the single European market.
Additions to the Airofreem and Gainsborough premises have been completed, and to meet the exceptional demand for pine beds and furniture a factory will be

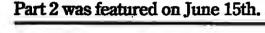
London Scottish

London Scottish Bank impre profits by 25 per cent from £1.05m to £1.3im for the half year to April 26 1988. Turnover was up 18 per cent to £9.44m against £7.97m.

posed is a one-for-two scrip.

and furniture a factory will be built at Rotherham to replace dull Easter, business was building up again. Earnings per share obtained additional new business and continued its efforts to 1990. The directors said following

Annual Update 3





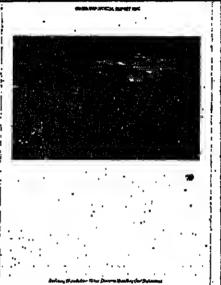
Nova Corporation of Alberta Nova Corporation of Alberta is a major Canadian petrochemical and pipeline company headquartered in Calgary, Alberta, Canada. Other investments include jointly controlled Husky Oil Ltd., international nufacturing operations, engineering consulting, research and product

In 1987, NOVA's assets of \$4.7 billion generated \$2.3 billion in sales and \$179 million in net income. The NOVA companies employ about 7,100 people in Canada, the United States, Europe and Pacific Rim countries.



NYNEX

NYNEX is a leader in the information industry with assets of \$22.8 billion and a telecommunications heritage of more than 100 years. Our two telephone companies provide advanced network services, and we have ten other companies in information and office systems, business services, software, and publishing. In today's Information Age, the answer is



PacifiCorp

A diversified electric utility, PacifiCorp (NYSE/LSE: PPW) derives 51 percent of its \$2.2 billion in annual revenues from non-electric sources. Operations include Pacific Power, the largest investor-owned electric utility in the Pacific Northwest; NERCO, a coal, silver and gold mining subsidiary; Pacific Telecom, a telecommunications subsidiary, and PacifiCorp Financial Services, an asset-management firm. 1987 EPS: \$3.60 - up 4 percent from 1986. Annual dividend: \$2.64.



Placer Dome Inc.

Placer Dome Inc. (NYSE: PDG) is one of the world's most important gold producers with nine gold mines in Canada, the United States and Australia. New production from three gold mines under construction will increase Placer Dome's share of gold production by more than 40% to over 1.1 million ounces per year and maintain its low average cost.



Reebok International Ltd.

Reebok International Ltd. (NYSE:RBK) and its subsidiaries design and market high-quality athletic and casual footwear and apparel worldwide, principally under the brand names "Reebok", "Avia", "Rockport" and

mal survey of American business, Forbes Magazine ranked In its an in its annual survey or American dustices, Forces Magazzie ranked Reebok International first among major U.S. companies in sales growth, earnings growth and return on shareholders' equity for the past five



Repap Enterprises Corporation

Stronger markets, increased capacity and on-going modernization and expansion programs resulted in a year of record growth and profits for Repap Enterprises Corporation Inc., a fully integrated North American coated paper and pulp company. Assets reached \$1.5 billion while net income increased to \$62.5 million from \$13 million in 1986. Repap, with its modern, cost-efficient assets and new capacity coming on stres well positioned to take advantage of current favourable market conditions for coated paper and market pulp.



Teva Pharmaceutical

Industries, Ltd. Teva Pharmaceutical Industries, Ltd. (NASDAQ: TEVIY and Tel Aviv) is active in the development, manufacture and marketing of human pharmaceuticals, fine chemicals, medical disposables, surgical sutures, veterinary products, baking yeast and related products. With eight veces many products, traking yeast and related products. With eight decades of experience, Teva's ongoing expansion has enabled it to become the industry leader in Israel, and a supplier to 50 countries with the major portion marketed in the United States. Teva, Israel's 12th largest industrial company, had 1967 sales of \$150 million and net income of \$16 million.

art 2 was	featured	on Tune	15th.

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Opec faces tension after failing to settle top issues

OPEC FACES six months of tension, raising fears of increasing production indiscipline after failing to deal with all main issues on its agenda. Chances of raising prices to the S18-a-barrel target set 18 months ago now seem remote.

Its ministerial conference ended in Vienna late on Tuesday with Opec es deeply split as ever between:

 A minority of members with substantial oil reserves, mainly wanting to raise market share. A majority wanting to maximise per-barrel revenues.

view about the likely demand for member.
Opec crude in this second half The U Opec crude in this second half The UAEs' public repudiation than the rest and, indeed, Opec's of its 948,000 h/d quota can only

tha end of 1986, on a 15.05m barrels a-day ceiling on the collective output of 12 of the 13

aud Kuwait remain adamant the 300,000 b,d from the Neutral continues to classify as such Zone, shared equally between anything with an API gravity of them, and which they are more than 40.2 degrees.
"lorning" to Irao. is part of its Sheikh Ali Khalifa al Sabah, "loaning" to Iraq, is part of its

MR ARNE OEIEN, Norway's oil and energy minister, yesterday reaffirmed Norway's commitment to support the Opec cartel's efforts to achieve a \$18-a-barrel oil price. He rolled over a 7.5 per cent cut in Norwegian oil output,

for a new six-month period, writes Karne Fossli in Oslo. Norway, western Europe's biggest producer behind the UK, has been cutting oil output by 7.5 per cent every six months since the start of

Four conservative Gulf-Arab producers — Saudi Arabia, outside the sharing system.

Kuwait, the United Arab curietes and Qatar - continue to take a much more optimistic view shout the likely demand for "that phautom 14th member"

cretariat. act as a stimulant to production The conference, as expected, indiscipline by other members. rolled over for a further six There seems a real danger of a months the agreement, dating to drift towarda the kind of free-for-all of the first half of 1986 which had such a disastrous effect on price levels.

Opec members.

There was general recognition that the problem posed by Iraq's exclusion from the outputsharing system had to be tackled hut little progress was made towards solving it. However, it seems Iran may concede parity for Iraq equal to its entitlement of 2.37m b/d under the pact.

At the same time Saudi Arabia and Kuwait remain adamant the output-sharing pact, if Venezuela continues to classify as such

in spite of Norway's pledge, its oil output is continuing to rise. The pledge merely limits the speed of the increase, to 7.5 per cent less than planned growth for the rest of this

year.

Norway is producing about
1.1m barrels of oil a day,
slightly under its annual
average of 1.2m b/d. Two Norwegian observers, one from
the Foreign Ministry and
another from tha Oil and
Energy Ministry, were in
Vienna for the Opec meeting.

be easily applicable, one which Klynveld Kraayenhof, the Dutch auditing firm employed to monitor members' production and exports, could understand. Venezuela has rejected gravity of gas-oil ratios as a criterion, arguing in favour of a far more complex reservoir engineering

Opec's current condensates output is reckoned to be about 800,000 b/d out of a 1.7m b/d total volume of natural gas liquids, including also ethane, propane, pentane and natural gasolene.

Also yet to be decided is whether own-use oil consumption accounted for by industry operations, refinery fuel and processing losses, amounting to anything from 500,000 b/d to 700,000 b/d, should be included in

output quotas. Most members regarded the appointment of Dr Subroto as secretary-general, and bis willingness to serve, as the eeting's most positive outcome

"loaning" to Iraq, is part of its quota and that the territory as a whole, from which receut yield said any definition would have to Arab-Israeli differences.

Stefan Wagstyl in Tokyo on the proposed LME aluminium warehouse for Japan

Osaka clout may square competing interests

A London Metal Exchange yaar bas traded at high warehouse for aluminium is premiums, sometimes above £650 likely to be opened in Japan this a tonne, instead of at a modest likely to be opened in Japan this year in the hope of easing recent wild fluctuations in world prices.
The proposed warehouse could relieve acute stock shortages on the exchange, the world's largest metals market, which have severely disrupted trading in

It could also ease the difficulties of the Japanese aluminium fabrication industry, which alone accounts for 30 per cant of the world trade in unwrought aluminium.

Japanese companies use the LME extensively to protect themselves against price swings but without a warehouse their efforts are severely handicapped in times of acute shortage.

Argument over the warehouse

has raged for more than two years. It has covered, among other things, Japan's willingness to deregulate markets, the future of the Japanese domastic aluminium industry, and the rules again, to allow a warehouse powerful regional rivalry to be open possibly from as early hetween Tokyo and Osaka, as this September.

Japan's second city.

The Japanese aluminium

metal-traders have mostly backed the idea from the start. However, the plans have been opposed by Osaka businesa leadara. They fear an LME warehouse would concentrate trade in the hands of Tokyo-hased companies. They argue, instead, for creation of a separate Japan Metal Exchange, in Osaka.

The surge in aluminium prices since early last year injected a sense of urgency into the debate. Severe shortages of metal, some large international traders

On the LME the cash-metal price soared above that for metal for delivery in three months' time. Cash aluminium in the past

discount to three-month metal.

Japanese aluminium-users have been unable to use the exchange's futures contracts to hedge effectively, or to protect themselves against price swings. Mr Steve Shimizu, editor of Metals and Futures in the Far East, a trada magazine, says: "There have haen several conspicuous cases of aluminium-fabricators suffering unexpected

fabricators suffering unexpected losses."

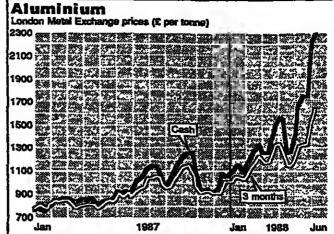
The industry's complaints have convinced the Ministry of International Trade and Industry (Miti) to accelerate its consideration of the plans for a Japanese warehouse.

Also the LME this year revised its rules to shorten the period of

Also the LME this year revised its rules to shorten the period of notice required for setting up a warehouse. This would enable one to be open from July next year. However, the authorities are considering changing the rules again, to allow a warehouse

The Japanese alumininm industry is much more vulnarable to world price fluctuations than it was 10 years ago. The market has been transformed by the spread across the world of contracts based on free-market prices which eroded the traditional system of fixed prices posted by big, mainly North American, producers.

Moreover, the influence of free-market prices within Japan has been magnified by the neardemise of the high-cost domestic Severe shortages of metal, aluminium-smelting industry compounded by attempts by which produced under 50,000 tonnes of metal last year, against to squeeze supplies, have driven more than 1m tonnes annual un prices. have soared from less than a third of total consumption to almost all of the 1.9m tonnes



producers posting prices was could be set up for aluminium replaced by the free-for-all of the trading "at the same time as the world market.

LME warehouse or soon after."

Japanese companies tried to compensate for the loss of domestic supply by investing in overseas production and also securing long-term contracts. Nevertheless, Japan Aluminium Association says about 40 per cent of last year's imports came from the spot market, where companies are most vulnerable to

price swings. However, in the typical Japanese way of aquaring competing interests, the price

Mr Keishiro Kawamo, director aluminium-fabricators in favour almost all of the 1.9m tonnes of the non-ferrous metals division of an LME warehouse. protect used last year. A cosy system of at Miti, says the proposed JME Mr Shimizu says: "The degree enjoys.

Electric and three aluminiumrolling companies, namely
Sumitomo Light Metal (a
company in the same industrial
grouping). Kobe Steel and
Furukawa Aluminium created
quite a public stir."
Critica of Osaka's plans
question whether a Japanese
metals market would be liquid
enough not to be manipulated.
Mr Koh Nakae, chairman of an
aluminium industry committee aluminium industry committee which has studied the plans, says: "It's very easy to set up a new market but very difficult to create liquidity."

However, politics may matter more than economics in deciding

of confrontation over this issue in the non-ferrous metals industry batween Sumitomo Electric and three aluminium

the issue, given that the Osaka husinesa community has great clout. The city is simultane pressing to quarter the proposed Japanese financial futures market and adding its voice to debate ahout the possible relocation of some government offices outside Tokyo.

Meanwhile, whatever happens in aluminium, Japan is unlikely to see the early opening of an LME warehouse in copper.

The natural place for the market might seem to be Tokyo. International metals traders in Japan have mostly set up offices in Tokyo – including Rudolf Wolff, Shearson Lehman Hutton and Gerald Commodities. Also, invertent metals companies The high-cost domestic mining industry has been severely cut. However, the market is dominated by domestic smelters which are fed hy imports of concantrates aupplied on important metals companies including the five biggest steelmakers have beadquarters long-term contracts, often via the giant Japanese trading houses such as C.Itoh.

Prices in this close-knit network are set in the domestic market by Nippon Mining, the industry may bave to pay for are in Osaka, among them aluminium, for getting its LME locally-based Sumitomo Electric warebouse soon, could be an agreement to back establishment cable companies, which, of the proposed Japan Matal unusually in Japan, is opposing to the companies are the companies and the companies are the companies. The industry would see an LME copper warehouse as a threat to these cosy arrangements, not to mention the Y15 a kilogram protective import tariff that it

Queensland coal strike may spread

Australia's AS5bn-a-year coal- which has been simmering for practices.

Further, the Queensland strike, already estimated to cost the nation about A\$414m a day in lost exports, seems likely to spread to New South Wales, the other bid soul and the bid soul as the soul as t other hig coal-production state. Queensland miners walked out

Brazilian coffee damaged by frost

SENIOR Brazilian Coffee harvest although there would Institute (IBC) officials have also be some fall in the quality of confirmed that a frost on June 4 the harvest now in progress.

Parana's production, which set up, responsible for marketing proposal for cutting the current confirmed that a frost on June 4 the harvest now in progress. and 5 damaged part of the coffee crop in the state of Parana. However, officials emphasized the institute's Londrina agency which accounts for 10 per cent of coverell output this year and next. Brazil's ontput, Reuter reports overall output this year and next in the heart of Parana's coffee would be slight.

They said most of the damage "This frost 15 years ago would would be felt in next year's have wiped out 50 per cent of Brazil's coffee.

export industry has been broken months, have been organised at with a 10-day strike hy all NSW mining centres.

Queensland's 8,000 miners,

The Queensland strike becan The Queensland strike began

yesterday when Queensland Coal rostering at some mines.

The Combined Mining Unions' yesterday over attempts by coal national liaison committee was predicting that even short companies to change work this year empowered hy members stoppages would lead to mine practices. Stopwork meetings to to call an immediate strike if any closures.

However, officials emphasised

Close Previous High/Low

THE FRAGILE peace of protest the work-practices issue, company tried to change work The unions insist weekend work be done only on a voluntary basis but coal companies say

seven-day rosters are essential if

the industry is to remain

Carlos Martins Swarca, head of

However, Parana no longer

The only chance of shortening the strike seems to rest with a hearing before the tribunal next Tuesday, However, analysts are

competitive.

Soviet coins policy decided

sole legal authority to sell Soviet gold on international markets. He said Mezhnumizmatika, a other items.

Sharebolders are the State (MCAs). Bank, Vnesheconombank and Ost-West Handelsbank of become involved, he said.

Signs of progress in EC farm price talks This cut would be achieved by beef and veal, moreover, would was also unhappy with the

BY TIM DICKSON IN LUXEMBOURG

THE Soviet Union is not to become embroiled, for now, in the highly-competitive hullioncoin husiness. Gold, silver, platinum and palladium coins it will launch this October will carry a hefty premium on precious-metal content and be aimed only at coin-collectors.

This was said by Mr Eugene Uljanov, general manager of Vnesheconombank which has sole legal authority to sell Soviet.

The First signs of progress in this year's slow-moving talks on farm prices emerged in Luxembourg yesterday when the European Commission indicated its willingness to compromise on the central issue of green-currency reform.

At the same time it emphasised its proposal was subject to key conditions inclinding a 1 per cent cut in the European Community sugar price.

The Brussels executive, in a

sugar price.

The Brussels executive, in a paper given yesterday morning to farm ministers of the Twelve, monetary compensatory amounts

These are border taxes and subsidies designed to even out Frankfurt. Others, from the short-term currency fluctuations Soviet Union and the West, might and to prevent distortion of internal ÉC farm trade.

US MARKETS

AFTER MOVING narrowly in early trading, the precious metals railed sharply

WORLD COMMODITIES PRICES

devaluing the green currencies, which translate common Ecndenominated farm prices into sectors were finally adopted by local money, which raises member-states, guaranteed prices paid to farmers Most observers last night were

in national currencies.

The commission said the changes spelt out yesterday - 1 percentage point for France and Ireland, L5 points for Italy and 3 points for the UK - were part of a four-stage plan for dismantling all "negative -monetary gaps existing for those currencies which respect the European

Monetary System disciplines" between now and 1992. However, stage one would not overnight take place until next January 1. The st except in the case of Greece,

2.5 points next January.

only be taken when longer-term emerging package. reforms proposed for those

cautions about predicting a successful outcome to this week's meeting. They emphasised the wide differences which remain

in the capital.

Howevar, the strongest supporters of the proposed JME

the consensus among most other

between delegations.
In an effort to break the

to try to draft a joint compromise the scheme was introduced in The strongest opposition yesterday appeared to be coming

which would get a 10-point from Italy, Spain and Greece, would only say these need to be dismantlement from the start of which called for several price this marketing year and a further rises on Mediterranean products west German plan for a 15 per - but the new French Agricul- cent cut will be considered The green-rate decisions on ture minister, Mr Henri Nallet, enough,

CRUDE Off. (Light) 42,000 US onlis 5/barrel

16.83

Latest Previous High/Low

He said it was quite unacceptable for the commission to link its green-currency adjustments to a new demand for a 1 per cent cut in the institutional price of sugar.

In another development the commission also said its agri-monetary proposals In an effort to break the daadlock, the commission — which initially proposed a price freeze for most products — and the West German presidency of those producers who the Farm Council were expected were deprived of a quota when

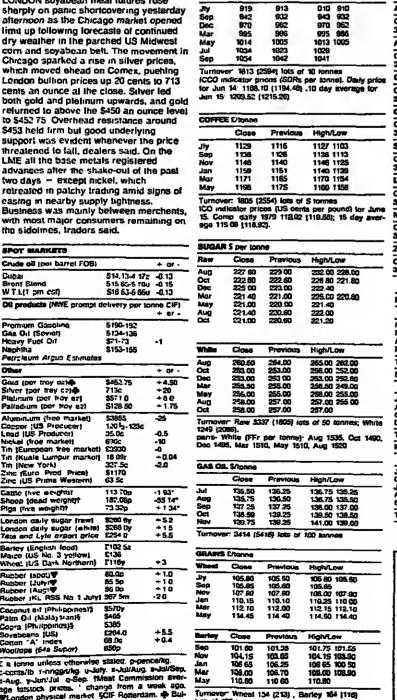
On monthly increments paid to

SOYABEANS 5,000 bu min; cents/80th bushe

Chicago

LONDON MARKETS LONDON sovabean meal futures rose sherply on panic shortcovering yesterday atternoon as the Chicago market opened limit up following lorecasts of continued dry weather in the parched US Midwest com and soyabean belt. The movement in Chrcago sparked a rise in silver prices, which moved shead on Comex, puehing Lendon bullion prices up 20 cents to 713 cents an ounce at the close. Silver led both gold and plelinum upwards, and gold returned to above the \$450 an ounce level to \$452.75 Overhead resistance around \$453 held firm but good underlying support was evident whenever the price threatened to fall, dealers said. On the LME all the base metals registered advances after the shake-out of the past two days - except pickel, which retreated in patchy trading amid signs of casing m nearby supply lightness. Business was mainly belween merchents,

Crude oil (per barrel FOB)		+ 07 -
Cueau_	\$14,13-4 172	-0.13
Bront Bland	515 65-5 18u	
W T.L(1 pm est)	S16 63-6 66u	-0.13
QQ products (NWE prompt d	elivery per loi	the CIF:
Premium Gasoling	5190-192	
GAS Oil (Seviel)	5134-136	
Heavy Fuel Oil	\$71-73	-1
Naphiha	\$153-155	
Petrs laum Argus Estimates		
Other		+ 07 -
Gold (per troy ozh	\$452.75	+ 4.50
Silver (por fray ca)	713c	+20
Platicum (per hoy er)	\$5:10	+86
Paliadium (per troy ez)	S128 50	+ 1.75
Aluminium (free market)	53855	-25
Capper (US Producer)	120 5-123c	
Lead (US Producer) Nickel (froe market)	35.0c 690c	-0.5 -10
Tin (European Yee market)		-10
Tin (Kuale Lumpur market)	18 09r	+0.04
Tin INCW York)	327.5e	-2.0
Zinc (Euro Prod Price)	\$1170	
Zinc (US Prime Western)	63 5c	
Cante (live ac-ghtif	113 70p	-1 93"
Shoop Idead weightit	180.05p	-55 14*
Pigs (five weight)†	73 32p	+ 1 341
London daily sugar (raw)	2500 GA	+52
London daily sugar (ehile)	\$285 Dy	+15
Tata and Lyle erport price	E254 D	+ 5.5
Bartey (English food)	F102 52 E136	
Maizo (US No. 3 yellow) Amoat (US Davk Northern)	F116y	+3
Rupber (spot)	80.0b	+ 1.0
Rubber (July)♥	85 5p	+10
Rubber (Aust)	56 Dp	+10
Rupber IKL RSS No 1 July1	367 5m	-20
Oconut aif (Philippines)	\$570y	
Palm Oil (Mala) stanis	\$465	
Copra (Philippings)3	538 5	
Sovebeans (US) Cotton 'A' Index	£204.0 68.9c	+5.5 +0.4



					-	
LONDON	METAL EXCHA	MOR		(Prices supp	lied by Amalg	remared Metal Trading)
	Close	Previous	High/Low	AM Office	al Kerb ck	ose Open Interest
Alumintur	n, 99.7% purity (1	per tonne)				Ring turnover 0 tonne
Cash 3 months	3285-85 2855-65	3595-815 2785-85		3850-80 2795-805	2840-60	5,337 tota
Afuminium	2) uttue 25.00,00	per tonne)			Ring	turnover 44,050 tonne
Cash 3 months	2220-5 1588-90	2010-20 1542-3	2225/2165 1597/1485	2160-2 1555-60	1582-4	50,871 lots
Copper, C	rade A (£ per ter	me)			Aing	tumover 40,050 tonne
Cash 3 months	1400-3 1288-9	1378-80 1271-2	1305/1281	1375-9 1272-3	1296-7	68,491 lots
Copper, S	tandard (£ per to	nne)				Ring turnover 0 torne
Cash 3 months	1275-85 1235-45	1265-75 1220-30		1250-70 1220-30		47 lots
Silver (US	cents/line ounce)				Ring turnover 0 ccs
Cash	709-12	690-2		669-702		
3 months	721-4	702-4		711-4	720-5	691 lots
Lead (E po					Ring	turnover 12,500 tonne
Cash 3 months	385-7 368-9	372-4 357-8	370/356	873-4 360.5-1.5	369-70	11,665 lots
Mickel (S)	per tonne)	- 100			R	ing turnover 864 tonne
Cash 3 months	15400-650 14350-450	16000-50 14500-600	15800/1550 14500/1440		14400-60	0 5,873 lots
Ziac (£ pe	r lonne)				Aing	turnover 18,300 tonne
Cash 3 months	760-70 711-2	729-31 690-1	770/751 717/607	758-9 703-4	711-2	21,518 104
	-					
POTATOE	S C/tonne			LONDON BU		TT
	Close Previo			Gold (fine oz)		2 equivalent
Nov Feb	95.0 93.0 104.0 103.0	95.0 93.0	,	Close Opening	452½-453 450-450½	253-253 1 ₂ 252-252 1 ₂
Apr	148.3 142.1	146.5 140.0 158.0 150.0		Morning fix	450.3	251.494
May	156.2 152.5 501 (38%) lots of			Atternoon fix Day's high	452 4 - 453 4	253.122
	N MEAL E/tonne			Day's low	450-450 2	C anniustant
	Close Previo	us High/Low		US Eagle	S price 498-471	£ equivalent 251-254
Jun	173.00 176.00	173.00		Mapleless	486-471	261-264
Aug Oct	177.50 169.40 177.00 169.50	171.50 188 177.00 168		Britannia Krugerrand	486-471 451-454	261-254 2521 ₂ -2541 ₂
Dec	179.50 171.50			1/2 Krug 1/4 Krug	234-243 116-134	T31-136 65-69 %
	174 (580) locs of			Angel	463-468 47-52	259 14 - 262 26 14 - 29 14
PREIGHT	FUTURES \$10/Enc			1/10 Angel New Sov.	10812-10712	591 ₂ -601 ₄
	1240.5 1238.0	us High/Low 1250.0 123		Old Sov. Noble Plat	106 ¹ 2-108 581,45-8.65	591 ₂ -601 ₂ 325.75-329.8
Jiy Oct	1363.0 1355.5	1365.0 126	3.0			
Jan Aor	1404.0 1282.0 1425.0 1427.5	1404,0 137, 1425,0 142				
eFI	1276.0 1279.0			Silver Ox	p/Tine oz	US cas equiv
Turnover	495 (578)			Spot 3 months	383.25 402.00	702.76 716.50
				9 months 12 months	411.18 430.50	730.35 760.05
						· con-
WOOL		A. A. cataolia				
Smaller	eason offerings in their forecast. Th	e catalogue e1 t	he i			TRADED OFFICES
the deal	Brisbana auction on entiperative on	r has been denu	ded to	Aluminium (98.		Cells Puts
Smallest	offerings for son	re time. The iss	2 I	Strike price \$: 2750		July Sept July Sept 300 287 35 203
ended the	root sale of the sale easier on e sa	rong tone, folio	wing	2900		105 219 et 283
	uotatione for dom id, usually by 3p/		are	3100		Calls Bran
conside	rations continue i 1. and exports to	o make wool de	ar into	Aleminium (90.		Calls Puts 292 269 64 210
new bus	inees is hard to t	ind, leading to t		2750 2907	1	198 203 119 296
	ion of same unea my continuity leve		_{sår} .	2100		08 137 227 429
Deliveri	es against contra	ct appear to be		Copper (Grade		Calls Puts
although	up fairly well for 1 9 noticeable les	sening of press	ure is	2300 2450		225 173 38 177 130 11S 92 267
reported	as trade nears t	he holiday perio	d.	2500		% 74 177 373

		ide buying						10.87						
					Sep	18.66	17.00	16.93	16.66	Jul	920 0	890/0	920/0	913
		off stops			Oct	16.70	17.04	16.97	16.70	Aug	924/0	894/0	924/0	519
		bert How			Nov	16.75	17.05	15.98	16.72	Sep	923/0	893/0	923/0	920
arke	ts failed	to penetr	ate over	head	Dec	16.75	17.06	17.00	16.75	Nov	925/4	895/4	925/4	918
esiste	ance end	fell back	as prof	ttaking	Jan	16.80	17,04	17.02	16.80	Jan	925/0	896/0	926/0	924
		re local a			Mar	16.75	17.00 16.98	16.96	16.75 16.77	Mar	827/4	897/4	927/4	926
		ose lifted			Apr	16.77		16.77		May	9 15/0	885/0	915/0	910
				mmission	HEATI	NG OF 42	000 US galla	. Cents/US	galls	Jul	902/4	872/4	902/4	699
ouse	and loc	al buying	In the fa	ice of		Latest	Previous	High/Lo		SOYAE	EAN OR 6	0,000 lbs; cer	rt3/lb	
rbitra	ge selli	ng, but fin	ished w	ith pared	Jul	4340	4432	4410	4330		Close	Previous	High/La	w
		s tiquidate			Sep	4400 4485	4484 4659	4470 4555	4390 4470	Jul	26.68	25 68	26.68	26
		rgy future			Nov	4850	4706	4710	4640	Aug	26.92	25.92	28.92	26.
rofitta	aking, sp	eculative	and tec	hnical	Dec	4726	4779	4790	4726	Sep	27.22	26.22	27.22	26.5
elling	in the f	ace of tra	de scale	-down	Jan	4770	4814	4835	4770	Oct	27.40	26.40	27.40	27.
uvino	The A	P.L. statis	tices we	re	Feb	4775	4799	4805	4760	Dec	27.62	26.62	27.62	27.2
onetz	- sect on 1	neutral, bu	d unlead	led	Mar	4635	4644	4655	4605	Jan	27.62	26.62	27.62	27.
		ed soma			coco	A 10 tonne	-Shoones			Mar May	27.62 27.35	26.62 26.40	27.62 27.40	27.
		ased with				Close	Previous	High/Lo				. 100 tone; 5/		
ommi	Ission h	ouse sell	stops, b		-	1571		1572	1556		Close		_	
BCOVE	ered on a	short-cove	ring as	LAMOTHE	Jal	1595	1556 1580	1507	1580		CIDBE	Previous	High/Lo	348
boun	ded con	cerning w	eather i	n Brazil.	Sep	1818	1005	1919	1806	.Jul	293.5	263.5	293.5	266
ugar	falled to	hold abo	ve the 1	Oc level,	Mar	1650	1640	1650	1640	Aug	290.7	280.7	280.7	287
nd e	aged on	tono-liqui	dation.	COCOR WAS	May	1673	1685	1672	1864	Sop	290.0	280.0	290.0	285
		uod noisa	es end	local	Jul	1700	1890	0	0	Oct	289.0	279.0	200.0	286
		SSIUM MOU	ac alle	-	Sep	1725	1718	1725	1725	Doc	287.7	277.7	287.7	285
na)uð	J.				_					_ Jan	266.2	275.2	286.2	285
					COFFE		XXIbs; cents/			Mar	263.2	273.2	268.2	262
						Close	Previous	High/Lo		MAIZE	5,000 bu m	in; cents/56il	b bushel	
Vo.	w Yo	ark.			Jul	136.01 138.05	135.05	237.10	134.00 136.45		Close	Previous	High/Lo	**
-61		<i>-</i>			Sep	140.00	137.10 138.90	139.00 141.00	138.45	Jul	279/4	269/4	279/4	279
OLD :	00 trav	.; Stray az.			Mar	140.70	139.50	141.00	139.00	Sep	287/4	277/4	267/4	287
 !					May	140.88	139.76	140.29	139.45	Dec	299/6	259/5	299/5	299
	Close	Previous.	High/Lo	TW/	أليال	140.50	140.25	0	0	Mar	306/2	296/2	305/2	305
	CHURC													
			454.3	451.0	Sep	141.50	144.00	142.00	142.00	May	308/4	293/4	308/4	
	451.9 452.8	450.6 451.6	0	451.0 0	Sep					Jul	307/0	297/0	307/0	307
녀	451.9	450.6 451.6 454.8	0 457.B	451.0 0 454.7	Sep	WORLD -	11" 112,000	ibs, cents/	lbs	_ Jul Sep	307/0 2B2/4	297/0 272/4	307/0 282/4	307 282
ui Ug	451.9 452.8	450.6 451.6 454.8 459.5	0 457.B 463.0	451.0 0 454.7 459.8	Sep				lbs	Sep Cec	307/0 2B2/4 266/4	297/0 272/4 256/4	307/0 282/4 266/4	307 282 265
d ug ct ec	451.9 452.8 455.8 460.9 466.1	450.6 451.8 454.8 459.5 464.8	0 457.8 463.0 468.0	451.0 0 454.7 459.8 464.5	Sep	WORLD -	11° 112,000 Previous	ibs, cents/	1bs	Sep Cec	307/0 2B2/4 266/4	297/0 272/4 256/4	307/0 282/4 266/4	307 282 265
d ug ct ec	451.9 452.8 455.8 460.9 466.1 471.3	450.6 451.8 454.8 459.5 464.8 469.8	0 457.8 463.0 468.0 472.5	451.0 0 454.7 459.8 464.5 472.0	Sep SUGAF Jul Oct	Close 9.77 9.84	11° 112,000 Previous 6.67 9.88	High/Los 9.99 10.04	9.75 9.81	Sep Cec	307/0 282/4 266/4 5,000 bu n	297/0 272/4 256/4 nin; cents/60	307/0 282/4 286/4 35-bushel	307 282 265
d ug ct ec ec ec	451.9 452.8 455.8 460.9 468.1 471.3	450.6 451.8 454.8 459.5 464.8 469.8 475.1	0 457.8 463.0 468.0 472.5 478.0	451.0 0 454.7 459.8 464.5 472.0 478.0	Sep SUGAR Jul Oct Jun	Close 9.77 9.84 0.76	Previous 6.67 9.88 9.80	High/Los 9,99 10,04 0	9.75 9.81 0	Sep Dec WHEAT	307/0 282/4 265/4 5,000 bu n	297/0 272/4 256/4 nin; cents/60 Previous	307/0 282/4 286/4 No-bushel High/Lo	307 282 265
di ugi ect ecc ecc ecc pr	451.9 452.8 455.8 460.9 468.1 471.3 478.6 481.9	450.6 451.8 454.8 454.8 454.8 469.8 475.1 480.4	0 457.8 463.0 468.0 472.5 478.0 482.5	451.0 0 454.7 459.8 464.5 472.0 478.0 482.5	Sep SUGAF Jul Oct Jan Mar	Close 9.77 9.64 0.76 9.80	11° 112,000 Previous 6.67 9.88 9.80 0.80	High/Lon 9.99 10.04 0 9.98	9.75 9.81 0 9.79	Sep Dec WHEAT	307/0 282/4 266/4 5,000 bu n Close 394/0	297/0 272/4 256/4 nin: cents/60 Previous 374/0	307/0 282/4 286/4 Rb-bushel High/Ld 394/0	307 282 265
	451.9 452.8 455.8 460.9 468.1 471.3 478.6 481.9 487.6	450.5 451.5 454.8 459.5 464.6 469.8 475.1 480.4 468.0	0 457.8 463.0 468.0 472.5 478.0 482.5	451.0 0 454.7 459.8 464.5 472.0 478.0	Sep SUGAF Jul Oct Jun Mar May	Close 9.77 9.64 0.76 9.80 9.77	11° 112,000 Previous 6.67 9.85 9.80 0.80 6.78	High/Lon 9.99 10.04 0 9.98 0.95	9.75 9.81 0 9.79 0.77	Jul Sep Oec WHEAT Jul Sep	307/0 282/4 266/4 5,000 bu n Close 394/0 401/6	297/0 272/4 256/4 nin; cents/60 Previous 374/0 381/6	307/0 282/4 286/4 85-bushel High/Lo 394/0 401/8	307 282 265 I 2W 380 381
	451.9 452.8 455.8 460.9 468.1 471.3 478.6 481.9 487.6	450.6 451.8 454.8 454.8 454.8 469.8 475.1 480.4	0 457.8 463.0 468.0 472.5 478.0 482.5	451.0 0 454.7 459.8 464.5 472.0 478.0 482.5	Sep SUGAF Jul Oct Jun Mar May Jul	9.77 9.84 0.76 9.80 9.77 0.80	11° 112,000 Previous 6.67 9.88 9.80 0.90 6.78 9.77	High/Los 9.99 10.04 0 9.98 0.95 0.92	9.75 9.81 0 9.79 0.77 9.80	Jul Sep Dec WHEAT Jul Sep Dec	307/0 262/4 266/4 5,000 bu n Close 394/0 401/8 411/2	297/0 272/4 256/4 nin; cents/60 Previous 374/0 381/6 391/2	307/0 282/4 286/4 Rb-bushed High/Lo 394/0 401/8 411/2	307 282 265 1 380 391 398
di ugi ct ec ec pr un	451.9 452.8 455.8 460.9 468.1 471.3 478.6 481.9 487.6	450.5 451.5 454.8 459.5 464.6 469.8 475.1 480.4 468.0	0 457.8 463.0 468.0 472.5 478.0 482.5	451.0 0 454.7 459.8 484.5 472.0 478.0 482.5 0	Sep SUGAF Oct Jan Mar May Jus Oct	9.77 9.84 0.76 9.80 9.77 0.80 6.79	11° 112,000 Previous 6.67 9.88 9.80 0.80 6.78 9.77 0.76	High/Lon 9.99 10.04 0 9.98 0.95	9.75 9.81 0 9.79 0.77	Jul Sep Oec WHEAT Jul Sep	307/0 282/4 256/4 5,000 bu n Close 394/0 401/6 411/2 411/2	297/0 272/4 258/4 nin; cents/60 Previous 374/0 381/6 391/2 391/4	307/0 282/4 286/4 Rb-bushed High/Lo 394/0 401/8 411/2 411/4	307 282 265 I 390 391 398 396
di ug ct ec ec ec pr un un un	451.9 452.8 455.8 460.9 466.1 471.3 478.6 481.9 457.6 UM 50 troy	450.6 451.8 454.8 459.5 469.8 475.1 480.4 488.0 y oz; Sftroy o	0 457.8 463.0 488.0 472.5 478.0 482.5 0	451.0 0 454.7 459.8 484.5 472.0 478.0 482.5 0	Sep SUGAF Oct Jan Mar May Jus Oct	9.77 9.84 0.76 9.80 9.77 0.80	11° 112,000 Previous 6.67 9.88 9.80 0.80 6.78 9.77 0.76	High/Los 9.99 10.04 0 9.98 0.95 0.92	9.75 9.81 0 9.79 0.77 9.80	Jul Sep Dec WHEAT Jul Sep Dec Mar May Jul	307/0 282/4 265/4 5,000 bu n Close 394/0 401/8 411/2 411/2 392/0 353/4	297/0 272/4 256/4 nin; cents/60 Previous 374/0 381/6 391/2 391/4 375/0 341/4	307/0 282/4 296/4 Rb-bushed High/Lo 394/0 401/8 411/2 411/4 395/0 356/0	307 282 265 1 390 391 398 398 398
di ug lot eb pr un un LATIM	451.9 452.8 455.8 460.9 468.1 471.3 478.6 481.9 457.6 UM 50 troy Close 675.5 577.0	450.6 451.6 454.8 454.8 459.5 469.8 475.1 489.4 468.0 y ozz. Sźtroy o Provioce 565.2 566.7	0 457.8 463.0 468.0 472.5 478.0 482.5 0 22 High/Lb	451.0 0 454.7 459.8 464.5 472.0 472.0 482.5 0	Sep SUGAF Oct Jan Mar May Jus Oct	9.77 9.84 0.76 9.80 9.77 0.80 6.79	11° 112,000 Previous 6.67 9.88 9.80 0.80 6.78 9.77 0.76	High/Los 9.99 10.04 0 9.98 0.95 0.92	9.75 9.81 0 9.79 0.77 4.80	Jul Sep Dec WHEAT Jul Sep Dec Mar May Jul	307/0 282/4 265/4 5,000 bu n Close 394/0 401/8 411/2 411/2 392/0 353/4	297/0 272/4 256/4 nin; cents/60 Previous 374/0 381/6 391/2 391/4 375/0 341/4	307/0 282/4 296/4 Rb-bushed High/Lo 394/0 401/8 411/2 411/4 395/0 356/0	307 282 265 1 390 391 398 398 398
di ug ct ec ec ec ec ec ec ec ec ec ec ec ec ec	451.9 452.8 455.8 460.9 466.1 471.3 476.6 481.9 487.6 UNA 50 tro; Closes 675.5 577.0 583.8	450.6 451.8 454.8 459.5 459.6 469.8 475.1 480.4 468.0 Previous 565.2 566.7 573.1	0 457.8 463.0 468.0 472.5 478.0 482.5 0 22 High/La	451.0 0 454.7 459.8 464.5 472.0 478.0 482.5 0	Sep SUGAF Oct Jan Mar Mar May Jul Oct COTTO	Close 9.77 9.84 0.76 9.80 9.77 0.80 6.79	11° 112,000 Previous 6.67 9.88 9.80 0.50 6.78 9.77 0.76	9.99 10.04 0 9.95 0.95 0.95 0.95	9.75 9.81 0 9.79 0.77 9.80 0.78	Jul Sep Dec WHEAT Jul Sep Dec Mar May Jul	307/0 282/4 255/4 5,000 bu n Closed 394/0 401/6 411/2 411/2 392/0 353/4	297/0 272/4 258/4 nin; cents/60 Previous 374/0 381/8 391/2 381/4 375/0 341/4	307/0 282/4 206/4 Rb-bushed High/Lc 394/0 401/8 411/2 411/4 395/0 358/0	380 391 399 396 385 345
di ug ect ecc ecc ecc ecc ecc ecc ecc ecc ecc	451.9 452.8 455.8 460.9 468.1 471.3 478.6 481.9 487.6 UNL 50 broy Closes 675.5 577.0 583.8 590.5	450.6 451.8 454.8 459.5 454.6 459.8 475.1 480.4 488.0 9 oz; 5/troy (Previous 565.2 566.7 573.1	0 457.8 463.0 468.0 472.5 478.0 482.5 0 522 High/Lo 581.5 597.0	451.0 0 454.7 459.8 464.5 472.0 472.0 482.5 0	Sep SUGAF Oct Jan Mar May Jus Oct	9.77 9.64 0.76 9.80 9.77 0.60 6.78 W 50,000; c Close 68.91 67.55	11° 112,000 Previous 6.67 9.88 9.80 0.90 6.78 9.77 0.76 ents/ibs	High/Lo 9.98 10.04 0 9.98 0.95 0.95 0.92 9.78	9.75 9.81 0 9.79 0.77 4.80	Jul Sep Dec WHEAT Jul Sep Dec Mar May Jul	307/0 282/4 256/4 5,000 bu n Close 394/0 401/6 411/2 332/0 353/4 ATTLE 40,0 Close	297/0 272/4 256/4 nin; cents/60 Previous 374/0 381/6 391/2 391/4 375/0 341/4	307/0 282/4 296/4 Rb-bushed High/Lo 394/0 401/8 411/2 411/4 395/0 356/0	307/ 2872 2655 I 390/ 391/ 398/ 398/ 398/ 345/
d ugg ct ecc ecc ecc ecc ecc ecc ecc ecc ecc	451.9 452.8 455.8 460.1 471.3 478.8 487.6 UNL 50 troy Close 675.5 577.0 583.8 590.5 598.0	450.6 451.8 454.8 459.5 469.8 469.8 475.1 480.4 468.0 9 oz; Sfrroy (Previous 565.2 556.7 573.1 587.1	0 457.8 463.0 472.5 472.5 472.5 0 482.5 0 22 High/Lo 591.5 591.5 597.0 605.0	451.0 0 454.7 459.8 484.5 472.0 478.0 482.5 0	Sep SUGAF Oct Juni Mar Mary Jusi Oct COTTO	9.77 9.84 0.76 9.80 9.77 0.80 8.79 W 50,000; c Close 88,91 67,55 68,57	71" 112,000 Previous 6.67 9.88 9.80 0.90 6.78 9.77 0.76 ents/lbs Previous 66.91 85.66 84.81	High/Los 9.99 10.04 0 9.95 0.95 0.95 0.92 9.78 High/Los 68.91 67.63	9.75 9.81 0.77 9.78 0.77 4.80 0.78	Jul Sep Gec WHEA1 Jul Sep Dec Mar May Jul	397/0 282/4 266/4 5,000 bu n Close 394/0 401/8 411/2 411/2 392/0 353/4 ATTLE 40,0 Close 70,30	297/0 272/4 256/4 nin: conts/60 Previous 374/0 381/6 991/2 391/4 375/0 341/4 00 lbs; conts Previous 71.00	307/0 282/4 206/4 Rb-bushed High/Lc 394/0 401/8 411/2 411/4 395/0 356/0	307 282 265 390 391 398 396 385 345
d ugg ct ec	451.9 452.8 450.8 450.8 460.1 4712.6 451.9 457.6 Close 675.5 577.0 583.8 590.5 695.5	450.6 451.8 454.8 459.5 469.8 475.1 489.0 y az; Sátroy (Previous 565.2 565.7 573.1 580.1 584.8	0 457.8 463.0 478.0 472.5 478.0 472.5 0 0 22 Hight/La 0 595.0 597.5 597.5 605.0	451.0 0 454.7 459.8 464.5 472.0 472.0 482.5 0	Sep SUGAF Jul Oct Jun Mar Mary Jul Oct COTTO Jul Oct Doc Mar	SWORLD - Close 9.77 9.84 0.76 9.80 9.77 0.80 6.78 W 50,000; c Close 68.91 67.55 68.57 67,18	11° 112,000 Previous 6.67 9.85 9.80 0.90 6.78 9.77 0.76 ents//be Previous 68.91 85.56 84.61 96.18	High/Lon 9.99 10.04 0 9.95 0.95 0.92 9.78 High/Lon 68.91 67.65 96.61 67.10	9.75 9.81 0 9.79 0.77 4.80 0.78	Jul Sep Gec WHEAT Jul Sep Dec Mar Jul LIVE C	307/0 262/4 255/4 5,000 bu n Close 394/0 401/8 411/2 392/0 353/4 ATTLE 40,0 Close 70.30 64.50	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/8 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 66.00	307/0 282/4 266/4 Rb-bushed High/Lc 394/0 401/8 411/2 411/4 395/0 358/0 //lbs	3077 2812 2815 380 381 398 398 398 398 345
d ug uct ecc ecc ecc ecc ecc ecc ecc ecc ecc e	451.9 452.8 450.8 450.8 460.1 4712.6 451.9 457.6 Close 675.5 577.0 583.8 590.5 695.5	450.6 451.8 454.8 459.5 469.8 469.8 475.1 480.4 468.0 9 oz; Sfrroy (Previous 565.2 556.7 573.1 587.1	0 457.8 463.0 478.0 472.5 478.0 472.5 0 0 22 Hight/La 0 595.0 597.5 597.5 605.0	451.0 0 454.7 459.8 484.5 472.0 478.0 482.5 0	Jul Oct COTTO Jul Jul Cott Cott Doc Mar Mary	Close 9.77 9.84 0.76 9.80 9.77 0.80 6.78 W 50,000; c Close 68.91 67.55 66.57 67.18	71° 112,000 Previous 6.67 9.88 9.80 0.90 6.78 9.77 0.76 ems/lbe Previous 66.91 66.91 96.18 96.40	High/Los 9.99 10.04 0 9.95 0.95 0.95 0.92 9.78 High/Los 68.91 67.63	9.75 9.81 0.77 9.78 0.77 4.80 0.78	Jul Sep Dec Mary Jul LIVE C. Aun Aun Oct	307/0 262/4 255/4 5,000 bu n Crose 394/0 401/6 411/2 411/2 352/0 353/4 ATTLE 40,0 Crose 70.30 64.50 63.95	297/0 272/4 256/4 nin; cents/60 Previous 374/0 381/6 391/2 391/2 391/4 375/0 341/4 00 Ibs; cents Previous 71.00 65.00 65.45	307/0 282/4 286/4 8b-bushed High/Lc 394/0 401/8 411/4 395/0 358/0 High/Lc 71.47	3077 2812 2815 1 380 3815 3815 3415 70,3 643,4
d ugg ct ec	451.9 452.8 455.8 456.8 468.1 471.6 481.9 487.6 Close 577.0 583.8 590.5 598.0 605.5 5,000 troy	450.6 451.8 454.8 454.5 458.5 458.6 475.1 480.0 9 oz: Sfroy o Previous 565.2 566.7 573.1 580.1 587.1 584.8 oc: Centafor	0 457.8 463.0 468.0 472.5 478.0 482.5 0 522 HighTus 585.0 581.5 581.5 695.0 0	451.0 0 454.7 459.8 464.5 472.0 472.0 472.0 482.5 0 568.0 575.0 581.0 597.5	Jul Jul Jul Oct COTTO	STORED ** Close 9.77 9.84 0.76 9.80 9.77 0.90 8.79 0.50 6.79 0.50 6.79 65.57 67.18 67.45 67.55	Previous 6.67 9.88 9.80 0.50 6.78 9.77 0.76 ents/lbs Previous 66.81 65.66 94.61 98.18 65.40 65.55	Bis, cents/ High/Lon 9.89 10.04 0 998 0.95 0.92 9.78 High/Lon 68.91 67.40 0	9.75 9.81 0 9.79 0.77 4.80 0.78 67.20 66.25 65.25 65.65 66.00 0	Jul Sep Dec WHEAT Jul Sep Dec Mar LIVE C. Jun Aug Oct	307/0 282/4 5,000 bu n Close 394/0 401/6 411/2 392/0 353/4 ATTLE 40,0 64.50 63.95 66.22	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/0 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.00 85.45 67.52	307/0 282/4 286/4 8b-bushel High/Lo 394/0 411/2 411/2 411/2 411/2 411/2 411/2 411/2 411/4 65.75 65.35 67.65	307 282 265 1 380 391 398 396 395 345
d ug ct company ug company ug ct company ug ct	451.9 452.8 452.8 450.9 460.9 471.2 471.5 471.6 481.9 457.6 Close 675.5 577.6 583.8 590.5 696.5 696.5 696.5	450.6 451.8 454.8 454.5 469.8 475.1 480.4 480.4 480.4 480.4 480.4 585.2 585.7 585.7 585.7 587.1 587.1 587.1 587.1 584.8	0 457.8 463.0 468.0 472.5 472.5 482.5 0 585.0 585.0 587.0 0 oy 622.	451.0 0 454.7 459.8 464.5 472.0 472.0 482.5 0 568.0 575.0 881.0 597.5	Jul Oct COTTO	9.77 9.84 0.76 9.80 9.77 10.80 8.77 0.80 8.79 850,000; c Close 66.91 67.95 67.95 67.16 67.40 67.55	11" 112,000 Previous 6.67 9.88 9.80 0.80 6.78 9.77 0.76 Previous 66.91 85.66 84.81 98.12 65.55 63.55	his, cents/ High/Lon 9.99 10.04 0 9.98 0.95 0.95 9.78 High/Lon 68.91 67.49 0 0 65.55	9.75 9.81 0 9.79 0.77 4.80 0.78	Jul Sep Occ WHEAT Jul Sep Dec Mary Jul LIVE Co	307/0 282/4 5,000 bu n Close 394/0 401/6 411/2 411/2 392/0 353/4 ATTLE 40,0 64.50 63.95 66.29 68.10	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/6 391/2 391/2 391/4 375/0 341/4 00 lbs; cents Previous 71.00 65.45 67.52 88.80	307/0 282/4 286/4 Rb-bushel High/Lc 394/0 401/8 411/2 411/2 411/2 411/2 71,47 65,75 65,35 67,65 69,17	307 282 265 1 390 391 396 396 396 345 70.1 64,4 63,6 67,6
d ugg ct comb per un ugg LATING	451.9 452.8 452.8 455.8 460.9 460.9 471.3 471.3 471.6 481.9 457.6 UNA 50 troy Close 575.5 577.0 583.8 590.5 590.0 troy Close	450.6 451.8 454.8 454.8 459.5 469.8 475.1 489.0 488.0 488.0 488.0 488.0 555.7 556.7 556.7 557.1 587.1 587.1 587.1 704.0	0 457.8 463.0 463.0 472.5 473.0 482.5 0 522 High/Lo 0 597.0 597.0 697.0 697.0 697.0	451.0 0 454.7 459.8 464.5 472.0 478.0 478.0 478.0 575.0 569.0 575.0 581.0 587.5	Jul Oct COTTO	9.77 9.84 0.76 9.80 9.77 10.80 8.77 0.80 8.79 850,000; c Close 66.91 67.95 67.95 67.16 67.40 67.55	Previous 6.67 9.88 9.80 0.50 6.78 9.77 0.76 ents/lbs Previous 66.81 65.66 94.61 98.18 65.40 65.55	his, cents/ High/Lon 9.99 10.04 0 9.98 0.95 0.95 9.78 High/Lon 68.91 67.49 0 0 65.55	9.75 9.81 0 9.79 0.77 4.80 0.78 67.20 66.25 65.25 65.65 66.00 0	Jul Sep Dec WHEAT Jul Sep Dec Mar LIVE C. Jun Aug Oct	307/0 282/4 5,000 bu n Close 394/6 401/6 411/2 411/2 332/6 332/4 ATTLE 40,0 64.50 63.95 66.22 68.10 70.55	297/0 272/4 258/4 nin: cents/60 Previous 374/0 381/8 391/2 391/4 375/0 341/4 00 Ibs: cents Previous 71.00 65.00 65.00 65.45 67.52 88.80 71.00	307/0 282/4 282/4 286/4 286/4 286/4 286/0 401/8 411/2 411/4 395/0 71.47 65,75 65,35 67,65 69,17 71,60	307 282 265 391 398 398 398 395 345 70.4 63.1 67.1 70.4
d ugg ct see per ugg LATING	451.9 452.8 452.8 450.9 460.9 460.1 471.3 476.6 481.9 457.6 Close 675.5 577.6 675.5 577.6 605.5 598.0 605.5 5,000 troy Close 712.9 715.5	450.6 451.8 454.8 454.5 459.5 469.8 475.1 480.0 9 cz: Sfroy o 702.0 5652 557.1 550.1 550.1 704.8 704.0 704.0	0 457.8 463.0 468.0 472.5 472.5 482.5 0 585.0 585.0 587.0 0 oy 622.	451.0 0 454.7 459.8 464.5 472.0 472.0 482.5 0 568.0 575.0 881.0 597.5	Jul Oct COTTO	9.77 9.84 0.76 9.80 9.77 10.80 8.77 0.80 8.79 850,000; c Close 66.91 67.95 67.95 67.16 67.40 67.55	11" 112,000 Previous 6.67 9.88 9.80 0.80 6.78 9.77 0.76 Previous 66.91 85.66 84.81 98.12 65.55 63.55	Dir. cents/ High/Lon 9.99 10.04 0 9 98 0.95 9.22 9.78 High/Lon 68.91 67.40 0 65.55	9.75 9.81 0 9.79 9.81 0.77 9.80 0.78 0.78	Jul Sep Oec WHEAT Jul Sep Dec Mar May Jul LIVE G Aun Aug Oct Feb Apr Jun	307/0 252/4 256/4 256/4 256/4 256/4 256/4 200 339/0 352/4 411/2 411/2 411/2 352/0 352/4 ATTLE 40,0 Close 64.50 63.95 66.22 68.10 70.55 71.10	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/0 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.00 85.45 67.52 88.80 71.00 71.00	307/0 282/4 286/4 8b-bushed Hight/Lc 394/0 401/8 411/4 395/0 356/0 71,47 65,75 65,95 69,17 71,60 71,60	307 282 265 391 398 398 398 395 345 70.4 63.1 67.1 70.4
d ug	451.9 452.8 452.8 455.8 460.9 460.9 471.3 471.3 471.6 481.9 457.6 UNA 50 troy Close 575.5 577.0 583.8 590.5 590.0 troy Close	450.6 451.8 454.8 454.8 459.5 469.8 475.1 480.4 488.0 Previous 555.7 556.7 573.1 550.7 573.1 554.8 02 cents/or Previous 704.0 711.9	0 457.8 463.0 468.0 472.5 478.0 462.5 0 565.0 5655.0 5655.0 0 722.5 0 722.5 0 732.0	451.0 0 454.7 459.8 484.5 472.0 478.0 482.5 0 0 568.0 575.0 881.0 597.5 0 705.0	Juli Oct COTTO Doc Mar Mary Juli Oct COTTO Doc Mar Mary Juli Oct Cot Cot Cot Cot Cot Cot Cot Cot Cot Co	9.77 9.84 0.76 9.80 9.77 9.84 0.76 0.80 9.77 0.80 6.78 W 50,000; c Close 68.91 67.55 65.78 67.40 67.55 65.55 SE JURCE 15	71" 112,000 Previous 6.67 9.88 9.80 0.80 6.78 9.77 0.76 ents/lbs Previous 66.91 85.66 84.81 86.40 65.55 63.55	bir, cents/ High/Lon 9.99 10.04 0.95 0.95 9.78 High/Lon 65.91 67.40 0.05 65.55	9.75 9.81 0 9.79 0.77 4.60 0.78 57 20 68.25 68.25 68.00 0 66.55	Jul Sep Oec WHEAT Jul Sep Dec Mar May Jul LIVE G Aun Aug Oct Feb Apr Jun	307/0 252/4 256/4 256/4 256/4 256/4 256/4 200 339/0 352/4 411/2 411/2 411/2 352/0 352/4 ATTLE 40,0 Close 64.50 63.95 66.22 68.10 70.55 71.10	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/6 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.00 85.45 67.52 88.80 71.00 71.00	307/0 282/4 286/4 8b-bushed Hight/Lc 394/0 401/8 411/4 395/0 356/0 71,47 65,75 65,35 67,65 69,17 71,60 71,60	307 282 265 391 398 398 398 395 345 70.4 63.1 67.1 70.4
d ug to the bound of the bound	451.9 452.8 452.8 450.9 460.9 471.3 471.5 481.6 487.6 UNA 50 troy Close 577.0 583.5 590.5 590.5 590.0 712.9 712.9 712.3 725.3	450.6 451.8 454.8 459.5 469.8 479.1 489.0 490.0	0 457.8 463.0 463.0 472.5 478.0 482.5 0 585.0 597.0 597.5 69	451.0 0 454.7 459.8 464.5 472.0 472.0 472.0 472.5 0 598.0 575.0 581.0 597.5 0	Jul Oct COTTO Jul Jul Oct COTTO	9.77 9.84 9.77 9.85 9.80 9.77 1.80 9.77 1.80 9.77 1.80 6.75 6.57 67.18 67.48 67.55 65.55 65.55 65.55 65.55 65.55 65.55	9:112,000 Previous 6.67 9.88 9.90 0.90 6.78 9.77 0.76 ents/ibe Previous 66.91 65.55 64.61 96.18 65.55 63.55 63.00 lbs; ce	Bit; cents/ High/Lot 9.99 10.04 0 9 98 0.95 0.95 0.92 9.78 High/Lot 68.91 67.10 65.55 ML/Rbs	9,75 9,81 0 9,75 9,81 0,77 4,83 0,78 67,20 68,25 68,25 68,25 68,65 68,65 68,65	Jul Sep Oec WHEAT Jul Sep Dec Mar May Jul LIVE G Aun Aug Oct Feb Apr Jun	307/0 282/4 256/4 5,000 bu n Close 394/6 411/2 411/2 332/6 332/6 332/6 332/6 332/6 64.50 66.22 68.10 70.55 71.10	297/0 272/4 258/4 nin: cents/60 Previous 374/0 381/8 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.45 67.52 88.80 71.00 71.00	307/0 282/4 282/4 Rb-bushed High/Lc 394/0 401/8 411/2 411/4 355/0 356/0 71,47 65,75 65,35 69,17 71,67	307 222 265 I 300 300 300 300 300 300 300 300 300 3
si uga de como	451.9 452.8 452.8 455.8 460.9 460.9 471.3 471.3 471.6 481.9 457.6 UM 50 troy Close 575.5 577.0 583.0 605.5 590.0 Close 712.9 716.5 720.3 725.1 738.9 744.9	450.6 451.8 454.8 454.8 459.5 469.8 475.1 480.4 480.0 Previous 555.7 573.1 550.7 573.1 550.7 577.1 574.8 62 cents/or Previous 704.0 711.9 714.5 731.8	0 457.8 463.0 463.0 472.5 478.0 472.5 678.0 585.0 585.0 0 722.5 0 722.5 0 722.5 0 722.5 0 722.0 0 722.5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	451.0 0 454.7 459.8 484.5 472.0 472.0 482.5 0 0 568.0 575.0 581.0 587.5 0 705.0	Sep SIJGAF SIJGAF Sep SIJGAF SIJGAF SEP	9.77 9.84 0.76 9.80 9.77 9.84 0.76 9.80 9.77 0.80 6.79 0.60 6.79 66.91 67.55 66.57 67.55 65.55 67.66 67.56	17" 112,000 Previous 6.67 9.88 9.80 0.50 6.75 9.77 0.76 Previous 66.91 85.56 84.81 98.18 65.40 65.55 63.55 5,000 lber ce Previous	Bit; cents/ High/Lon 9.99 10.04 0 9.98 0.95 0.92 9.78 High/Lon 67.49 0 65.55 mta//bs	9.75 9.81 0 9.79 0.77 2.80 0.78 57 20 68.25 68.25 68.00 0 68.55	Jul Sep Oce WHEAT Jul Sep Doc Mar May Jul LIVE G Cot Aug Oct Feb Jun LIVE H LIVE H LIVE H	307/4 252/4 256/4 5.000 bu n Close 394/6 401/6 411/2 411/2 332/0 332/4 ANTILE 40,0 Close 64.50 63.92 68.19 70.55 71.10	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/6 391/2 381/4 375/0 341/4 00 lbs: cents Previous 71.00 65.00 65.45 67.52 88.80 71.00 71.00	307/0 282/4 286/4 8b-bushed Hight/Lc 394/0 401/8 411/4 395/0 356/0 71,47 65,75 65,35 67,65 69,17 71,60 71,60	307 222 265 I 300 300 300 300 300 300 300 300 300 3
is up to the control of the control	451.9 452.8 452.8 450.9 460.9 471.3 471.9 481.9 487.6 UNA 50 troy Close 675.5 577.0 583.5 590.5 598.0 712.9 712.9 712.9 723.3 725.1 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2 726.3 726.2	450.6 451.8 454.8 459.5 469.8 475.1 489.0 499.0	0 457.8 463.0 463.0 472.5 473.0 482.5 0 555.0 555.0 555.0 0 7722.5 0 7722.5 0 7732.0 0 7732.0	451.0 0 454.7 459.8 464.5 472.0 482.5 0 568.0 575.0 881.0 597.6 0 718.0 705.0	Jul Oct COTTO Jul Jul Oct COTTO	9.77 9.84 9.77 9.87 9.87 9.87 9.80 9.77 0.80 9.77 0.80 8.77 0.80 8.50 8.50 8.55 87.18 67.40 67.55 88. JANCE 15 775.00 162.90	9:112,000 Previous 6.67 9.88 9.90 0.90 6.78 9.77 0.76 ents/ibe Previous 66.91 65.55 64.61 96.18 65.55 63.55 63.00 lbs; ce	Bir, cents High/Lor 9.99 10.04 0 9.95 0.95 0.95 0.95 0.95 0.97 88.91 67.40 67.40 65.55 http://co.	9,75 9,75 9,75 9,0 9,79 9,77 9,80 0,77 9,80 0,78 65,25 65,25 65,25 66,00 0 65,55	Jul Sep Dec Mary Jul LIVE G Aug Oct Dec Aug Cot Dec Au	307/0 282/4 255/4 255/4 25000 bu n Close 394/0 401/2 411/2 411/2 332/0 352/4 ATTLE 40,0 63.95 66.22 68.10 70.55 66.22 66.10 70.55 67.11.0	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/8 391/2 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.00 85.45 67.52 88.90 71.00 0 lbs: cents/fb	307/0 282/4 282/4 Rb-bushed High/Lc 394/0 401/8 411/2 411/4 355/0 356/0 71,47 65,75 65,35 69,17 71,67	307 222 265 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
diug teeboring und Tikki	451.9 452.8 452.8 450.9 460.9 460.9 471.3 471.5 471.6 481.6 487.6 UNA 50 troy Close 575.5 590.5 590.5 590.0 Close 712.9 715.3 720.3 725.1 734.3 754.8	450.6 451.8 454.8 454.5 464.8 469.8 475.1 460.4 460.4 460.4 460.4 460.4 460.4 460.4 460.4 460.4 460.4 460.4 460.4 460.4 460.4 757.1 560.7 757.1 560.7 757.1 560.7 757.1	0 457.8 463.0 463.0 472.5 478.0 482.5 0 585.0 585.0 585.0 0 722.5 0 722.5 0 732.0 747.0 0 762.0 0	451.0 0 454.7 459.8 464.5 472.0 478.0 482.5 0 0 575.0 581.0 581.0 587.5 0 716.0 716.0 720.0	Sep SIJGAF Jul Oct Jun Oct COTTO Jul Sep Nov Jan Mar	9.77 9.84 0.76 9.80 9.77 9.84 0.76 9.80 9.77 0.80 6.79 0.60 6.79 66.91 67.55 66.57 67.55 65.55 67.66 67.56	17" 112,000 Previous 6.67 9.85 9.80 0.90 6.76 9.77 0.76 ems///be Previous 65.91 65.56 64.81 96.18 65.40 65.55 63.000 lber; ce Previous 173.50 170.78	Bit; cents/ High/Lon 9.99 10.04 0 9.98 0.95 0.92 9.78 High/Lon 67.49 0 65.55 mta//bs	9.75 9.81 0 9.79 0.77 2.80 0.78 57 20 68.25 68.25 68.00 0 68.55	Jul Sep Oec WHEAT Jul Sep Dec Mar Aug Oct Aug Oct Feb Jun Jun Jun Jun	307/0 282/4 256/4 5.000 bu n Close 394/6 401/6 411/2 411/2 332/6 332/4 411/2 64.50 64.50 66.22 68.10 70.55 71.10 0033 30.000 Close 48.15 48.07	297/0 272/4 258/4 Previous 374/0 381/8 391/2 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.49 67.52 88.80 71.00 71.00 71.00 71.00 71.00 71.00 71.00 71.00 71.00	307/0 282/4 282/4 Rb-bushed High/Lc 394/0 401/8 411/2 411/4 395/0 356/0 71,47 65,75 65,75 65,75 67,65 67,65 71,67	307 265 265 300 300 300 300 300 300 300 300 300 30
di with the second of the seco	451.9 452.8 452.8 450.9 460.9 471.3 471.3 471.9 487.6 Close 577.0 583.5 577.0 583.5 590.5 590.5 590.5 712.9	450.6 451.8 454.8 459.5 469.8 475.1 480.0	0 457.8 463.0 463.0 472.5 473.0 482.5 0 555.0 555.0 555.0 0 7722.5 0 7722.0 0 7722.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	451.0 0 454.7 459.8 464.5 472.0 482.5 0 568.0 575.0 881.0 597.6 0 705.9 0 718.0 775.0	Sep SUGAF SU	9.77 9.84 9.77 9.85 9.80 9.77 9.87 9.80 9.77 1.50 9.77 1.50 8.70 1.50 6.75 65.57 65.55 65.	17" 112,000 Previous 6.67 9.88 9.90 0.90 6.78 9.77 0.76 emis/lbs Previous 66.91 65.66 84.81 96.18 65.40 65.55 53.55 5,000 lbs; ce Previous 170.78 160.55 155.45	High/Los 9.99 10.04 0 9.95 0.95 0.95 0.95 0.95 9.78 High/Los 68.91 67.40 0 65.55 nta/Res 175.50 183.05 183.05	9.75 9.81 0 9.79 9.87 9.77 9.80 0.77 9.80 0.78 60.25 60.25 60.25 60.25 60.25 60.25 60.25	Jul Sep Oec WHEAT Jul Sep Dec Mary Jul LIVE G Aug Oct Peb Apr Jun Jun Jun Jun Jun Jun Jun Jun Jun	307/0 282/4 255/4 255/4 25000 bu n Close 394/0 401/2 411/2 411/2 352/0 352/4 ATTLE 40,0 64.50 64.50 64.50 64.50 66.22 68.10 70.55 71.10 Close 48.15 48.15 48.15 48.15 48.15 48.75	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/2 391/2 391/2 391/4 375/0 341/4 00 lbs; cents Previous 71.00 65.00 65.45 67.52 68.80 71.00 71.00 91 (cents/fb) Previous 50.65 49.57 47.25	307/0 282/4 282/4 Rb-bushed High/Lc 394/0 401/8 359/0 259/0 71.47 65.75 65.75 65.75 65.75 67.65 69.17 71.60 High/Lc	307 222 225 1 1 206 300 300 300 300 300 300 300 300 300 500 70.1
diugteen by ATTRI	451.9 452.8 455.8 450.9 460.9 471.3 471.9 481.9 487.6 UNA 50 troy Close 577.0 583.5 590.5 590.5 590.0 712.9 712.9 720.3 720.3 720.3 720.3 720.3 720.4 720.4 735.0 744.8 745.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 776.4 776.4	450.6 451.8 454.8 454.5 469.5 469.8 475.1 489.0 489.0 489.0 489.0 489.0 489.0 565.2 565.7 573.1 587.1 587.1 587.1 587.1 587.1 704.0	0 457.8 463.0 463.0 472.5 478.0 482.5 0 585.0 585.0 585.0 0 722.5 0 722.5 0 732.0 747.0 0 762.0 0	451.0 0 454.7 459.8 464.5 472.0 478.0 482.5 0 0 575.0 581.0 581.0 587.5 0 716.0 716.0 720.0	Sep SIJGAF SIJGAF Jul Oct COTTO Jul Sep Jul Sep Nov Jan Mar May Jul Sep May Jul Sep May Jul Sep May Jul Sep	9.77 9.84 9.77 9.87 9.87 9.80 9.77 0.80 9.77 0.80 9.77 0.80 9.77 0.80 6.78 85.50 85.55 87.18 67.55 85.18 175.80 175.80 185.19 185.19 185.19 185.19	17" 112,000 Previous 6.67 9.88 9.80 0.90 6.78 9.77 0.76 ents/libe Previous 66.91 85.66 84.81 96.18 65.40 65.55 53.55 5,000 lbs; ce Previous 173.50 170.78 150.55 154.60 153.45	High/Los Hig	9.75 9.81 9.75 9.87 9.77 9.80 0.77 4.80 0.78 57 20 68.25 68.25 68.65 68.00 0 66.55	Jul Sep Oec WHEAT Jul Sep Dec Mar Aug Oct Aug Oct Feb Jun Jun Jun Jun	307/4 282/4 256/4 5,000 bu n Close 394/6 401/6 411/2 352/0 352/0 352/0 352/0 417/2 66.20 67.30 64.50 66.22 67.10 70.55 71.10 0023 30,000 Close 48.15 48.07 45.75 41.77	297/0 272/4 258/4 Previous 374/0 381/8 391/2 391/2 391/2 391/4 375/0 341/4 00 lbs; cents Previous 71.00 65.45 67.52 88.80 71.00	307/0 282/4 282/4 Rb-bushed High/Lc 394/0 401/8 411/2 411/4 395/0 395/0 395/0 71,47 65,75 65,35 67,65 71,60 71,67 8 High/Lc	30772222 2055 1 3000 3001 3003 3003 3003 3003 3003
di udtete programa i i veri i	451.9 452.8 455.8 450.9 460.9 471.3 471.9 481.9 487.6 UNA 50 troy Close 577.0 583.5 590.5 590.5 590.0 712.9 712.9 720.3 720.3 720.3 720.3 720.3 720.4 720.4 735.0 744.8 745.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 776.4 776.4	450.6 451.8 454.8 459.5 469.8 475.1 480.0	0 457.8 463.0 463.0 472.5 473.0 482.5 0 555.0 555.0 555.0 0 7722.5 0 7722.0 0 7722.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	451.0 0 454.7 459.8 464.5 472.0 482.5 0 568.0 575.0 881.0 597.6 0 705.9 0 718.0 775.0	Sep SIJGAF Jul Jul Oct COTTO Jul Oct COTTO Aug Mary Jul Oct COTTO Aug Mary Jul Oct CORANG	9.77 9.84 9.77 9.85 9.77 9.87 9.87 9.87 9.87 9.87 9.87 9.87	71* 112,000 Previous 6.67 9.88 9.90 0.90 6.78 9.77 0.76 ents/ibe Previous 66.91 85.56 84.81 96.18 65.57 63.55 63.55 63.55 63.55 63.55 63.55 63.55 63.55 63.55 63.55 63.55	High/Lot 9.99 10.04 0 995 0.95 0.95 0.92 9.78 High/Lot 68.91 67.18 67.18 67.18 67.18 67.18 67.18 67.18 67.18 67.18 67.18 67.19 67.19 67.10	9.75 9.81 0 9.79 9.77 9.80 0.77 9.80 0.78 67.20 68.25 65.25 65.25 66.05 66.55	Jul Jun Jun Jun Jun Jun Jun Jun Jun Jun Aug Oct	307/0 252/4 256/4 5,000 bu n Close 394/0 401/6 411/2 411/2 411/2 352/0 352/4 ATTLE 40,0 64.50 64.50 64.50 65.25 66.10 70.55 71.10 0023 30,000 Close 49.15 48.15 41.75 41.77 43.75	297/0 272/4 255/4 nin: cents/60 Previous 374/0 381/4 391/2 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.00 85.45 67.52 88.60 71.00 71.00 0 lbs: cents/60 97.00 98.45 97.00 98.45 97.22 98.60 97.23 97.23 97.2	307/0 282/4 282/4 Rb-bushed High/Lc 359/0 401/8 411/2 411/2 411/2 411/2 411/2 411/2 61/2 71,47 65,75 65,75 67,65 69,17 71,67 71,67 84,47 49,49 4	3077 2212 205 1 1 200 205 1 205 205 205 205 205 205 205 205 205 205
diugteen by ATTRI	451.9 452.8 455.8 450.9 460.9 471.3 471.9 481.9 487.6 UNA 50 troy Close 577.0 583.5 590.5 590.5 590.0 712.9 712.9 720.3 720.3 720.3 720.3 720.3 720.4 720.4 735.0 744.8 745.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 775.4 776.4 776.4	450.6 451.8 454.8 454.5 469.5 469.8 475.1 489.0 489.0 489.0 489.0 489.0 489.0 565.2 565.7 573.1 587.1 587.1 587.1 587.1 587.1 704.0	0 457.8 463.0 463.0 472.5 473.0 482.5 0 555.0 555.0 555.0 0 7722.5 0 7722.0 0 7722.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	451.0 0 454.7 459.8 464.5 472.0 472.0 482.5 0 568.0 575.0 581.0 597.5 0 705.0 0 716.0 730.0 0	Sep SIJGAF Jul Oct	9.77 9.84 9.77 9.87 9.87 9.80 9.77 0.80 9.77 0.80 9.77 0.80 9.77 0.80 6.78 85.50 85.55 87.18 67.55 85.18 175.80 175.80 185.19 185.19 185.19 185.19	17" 112,000 Previous 6.67 9.88 9.80 0.90 6.78 8.77 0.76 ents/libe Previous 66.91 85.66 84.81 96.18 65.40 65.55 53.55 5,000 lbs; ce Previous 173.50 170.78 150.55 154.60 153.45	High/Los Hig	9.75 9.81 9.75 9.87 9.77 9.80 0.77 4.80 0.78 57 20 68.25 68.25 68.65 68.00 0 66.55	Jul Sep Dec WHEAT Jul Sep Doc Mary Jul LIVE G Jun LIVE H Jun Jun Jun Jun Jun Aug Oct Feb Jun Jun Aug Oct Feb Apr Jun Aug Oct Feb Apr Apr Apr	307/4 282/4 256/4 5,000 bu n Close 394/6 401/6 411/2 352/0 352/0 352/0 352/0 417/2 66.20 67.30 64.50 66.22 67.10 70.55 71.10 0023 30,000 Close 48.15 48.07 45.75 41.77	257/0 272/4 255/4 Previous 374/0 381/8 391/2 391/2 391/4 375/0 341/4 00 lbs; cents 71.00 65.00 65.45 67.52 68.80 71.00 71.00 71.00 71.00 71.00 71.00 71.00 71.00 71.00 71.00 71.00 71.00 71.00	307/0 282/4 282/4 286/4 286/4 286/4 286/6 394/0 411/2 411/4 395/0 356/0 71,47 65,75 65,35 67,65,75 69,17 71,60 71,60 71,60 71,60 71,60 49,57 49,	307722222 265 i i 360 386 386 386 385 386 386 386 386 370 64.4 62.1 70.0
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diugict eccord and and and and and and and and and an	451.9 452.8 452.8 452.8 450.9 460.9 471.3 471.8 487.6 Close 675.5 577.0 583.0 583.0 583.0 583.0 583.0 712.9 Close 771.9 775.1 739.0 775.1 739.0 775.1 739.0 725.1 739.0 725.3	450.6 451.8 454.8 454.8 459.5 469.8 475.1 460.8 470.1 460.0 470.1 460.0 470.1 557.1	0 457.8 463.0 463.0 472.5 478.0 472.5 478.0 565.0 565.0 565.0 722.5 732.0 732.	451.0 0 454.7 459.8 464.5 472.0 472.0 472.0 482.5 0 568.0 575.0 581.0 575.0 581.0 705.0 0 716.0 730.0 0 745.0	Sep SUGAF SU	9.77 9.84 9.77 9.87 9.87 9.87 9.87 9.87 9.87 9.87	17" 112,000 Previous 6.67 9.88 9.90 0.90 6.78 9.77 0.76 emis/ibe Previous 66.91 85.55 84.81 96.18 65.40 65.55 53.55 5,000 lbe; ce Previous 173.60 170.78 180.55 155.45 153.45	High/Lot 9.99 10.04 0 9.95 0.95 0.95 0.92 9.78 High/Lot 68.91 67.18 67.19 0 0 65.55 ntar/bs	9.75 9.81 9.75 9.81 9.77 9.80 0.77 4.80 0.78 65.25 65.25 65.85 66.05 0.0 66.55	Jul Sep Dec WHEAT Jul Sep Dec Mar May Jul LIVE G Cot Dec Feb Jun Aug Oct Dec Feb Jun	307/0 252/4 256/4 5,000 bu n Close 394/6 411/2 411/2 352/4 352/6 352/4 ATTLE 40,0 Close 66.22 68.10 70.55 71.10 Close 48.15 48.07 45.75 41.75 45.75 41.75 45.05 48.35	297/0 272/4 255/4 nin: cents/60 Previous 374/0 381/4 391/2 391/2 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.00 65.45 67.52 88.60 71.00 71.00 71.00 91 bs: cents/60 Previous 50.65 49.57 47.25 43.27 48.80	307/0 282/4 282/4 Rb-bushed High/Lc 359/40 401/8 359/0 259/0 71,47 65,75 65,75 65,75 65,76 67,17 71,67 41,77	3070 2822 2855 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2
di udi udi udi udi udi udi udi udi udi u	451.9 452.8 452.8 452.8 450.9 460.9 460.9 471.3 471.6 481.9 487.6 Close 675.5 577.0 583.5 593.5 593.5 593.5 593.5 593.7 755.1 725.3 725.1 725.1 725.1 725.4 727.5 726.4 727.5 2 25.000 Ibour	450.6 451.8 454.8 454.8 454.5 464.8 469.8 475.1 469.4 469.4 469.4 469.4 469.4 469.6 707.7 578.1 557.1 557.1 557.1 557.1 557.1 557.1 578.8 774.0 774.0 775.8 776.9 779.0 conta/fixe Previous Conta/fixe	0 457.8 463.0 463.0 472.5 478.0 472.5 60 585.0 585.0 7.22 High/Lo 0 722.5 0 732.0 747.0 0 0 0 0 0 0 112.00 107.20 0	451.0 0 454.7 459.8 464.5 472.0 478.0 482.5 0 0 568.0 575.0 581.0 581.0 581.0 705.0 0 716.0 730.0 0 745.0	Sep SUGAF SU	9.77 9.84 9.77 9.84 9.77 9.87 9.87 9.87 9.87 9.77 9.87 9.8	17" 112,000 Previous 6.67 9.88 9.90 0.90 6.78 9.77 0.76 emis/lbs Previous 66.91 85.66 84.81 96.18 65.40 65.55 53.55 5,000 lbs; ce Previous 170.78 160.85 153.45 153.45	Bit, cents/ High/Lon 9.99 10.04 0 9 98 0.95 0.95 0.95 0.95 98.61 67.40 0 65.55 cta/Rbs Hagh/Lon 175.50 183.05 187.50 0 0 0	9.75 9.81 9.75 9.81 9.77 9.80 0.77 9.80 0.78 60.25 60.	Jul Sep Dec WHEAT Jul Sep Dec Mar May Jul LIVE G Cot Dec Feb Jun Aug Oct Dec Feb Jun	307/0 252/4 256/4 5,000 bu n Close 394/6 411/2 411/2 352/4 352/6 352/4 ATTLE 40,0 Close 66.22 68.10 70.55 71.10 Close 48.15 48.07 45.75 41.75 45.75 41.75 45.05 48.35	297/0 272/4 255/4 nin: cents/60 Previous 374/0 381/4 391/2 391/2 391/2 391/4 375/0 341/4 00 lbs: cents Previous 71.00 65.00 65.45 67.52 88.60 71.00 71.00 71.00 91 bs: cents/60 Previous 50.65 49.57 47.25 43.27 48.80	307/0 282/4 282/4 Rb-bushed High/Lc 359/40 401/8 359/0 259/0 71,47 65,75 65,75 65,75 65,76 67,17 71,67 41,77	3070 2822 2855 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2
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di udi desemble di desemble di desemble di desemble di desembl	451.9 452.8 452.8 455.8 450.9 460.9 471.3 471.8 481.9 487.5 Close 675.5 577.0 583.8 577.0 583.8 590.5 590.0 Close 712.9	450.6 451.8 454.8 454.8 459.5 460.8 475.1 460.8 470.1 460.0 470.1 460.0 700.0 700.0 700.0 711.9 774.0 711.9 774.0 774.0 774.0 774.0 775.0 7767.9 779.0	0 457.8 463.0 463.0 472.5 478.0 482.5 0 585.0 587.0 585.0 0 722.5 0 722.5 0 0 722.5 0 0 0 0 12.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	451.0 0 454.7 459.8 464.5 472.0 482.5 0 568.0 575.0 881.0 575.0 881.0 7705.0 0 7705.0 0 0 745.0 0 0 0	Sep SUGAF SUGAF	Series (Bases: June 14 1902.8	17" 112,000 Previous 6.67 9.88 9.80 0.90 6.78 9.77 0.76 ents/libe Previous 66.91 85.66 84.81 96.18 65.40 65.55 53.55 5,000 lbs; ce Previous 173.50 153.45 153.45 153.45 153.45	Bir, centsi High/Lor 9.99 10.04 0 9 98 0.02 9.78 0.02 9.78 68.91 67.40 0 65.55 nta/Rbs Hagh/Lor 175.00 10 0 0 0	9.75 9.81 9.75 9.81 9.77 9.80 0.77 9.80 0.77 9.80 9.72 9.80 9.80 9.80 9.80 9.80 9.80 9.80 9.80	Jul Sep Dec Mer Jul Sep Dec Mer Jul LIVE G. Aug Oct Dec Apr Jun	307/0 252/4 255/4 5,000 bu n Close 394/0 401/2 411/2 411/2 352/0 352/4 ATTLE 40,0 Close 70.35 66.22 68.10 70.55 71.10 Close 49.15 48.07 48	297/0 272/4 256/4 nin: cents/60 Previous 374/0 381/2 391/2 391/2 391/2 391/4 375/0 341/4 00 lbs; cents Previous 50.65 48.80 71.00 65.00 65.45 67.52 68.80 71.00 71.00 1b; cents/fb Previous 50.65 49.57 47.25 43.27 45.57 48.80 Previous	307/0 282/4 282/4 Rb-bushed High/Lc 394/0 401/8 411/2 411/2 411/2 411/2 411/4 65.75 65.75 65.75 65.75 65.75 65.75 65.75 65.75 65.75 65.71,67 71,67 8 High/Lc 41,49 45.40	300 300 300 300 300 300 300 300 300 300
di udi desemble di desemble di desemble di desemble di desembl	451.9 452.8 452.8 452.8 452.8 460.9 460.9 460.9 461.1 471.3 471.6 481.9 487.6 Close 675.5 577.0 583.8 590.5 590.0 605.5 6,000 troy 712.9 715.3 725.1 739.1 7	450.6 451.8 451.8 451.8 451.8 451.5 684.8 475.1 688.8 475.1 688.8 475.1 587.1 587.1 587.1 587.1 587.1 707.0	0 457.8 463.0 463.0 472.5 478.0 482.5 0 585.0 585.0 585.0 587.5 587.0 585.0 587.0 58	451.0 0 454.7 459.8 464.5 472.0 472.0 472.0 482.5 0 568.0 575.0 581.0 587.5 0 705.0 0 705.0 0 0 716.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Sep SUGAF SUGAF	Series (Bases: June 14 1902.8	17" 112,000 Previous 6.87 9.88 9.90 0.90 6.78 9.77 0.76 ents/libs Previous 66.91 65.56 64.81 98.18 65.40 65.55 53.55 5,000 lbs; ce Previous 173.60 153.45 153.45 153.45	Bir, centsi High/Lor 9.99 10.04 0 9 98 0.02 9.78 0.02 9.78 68.91 67.40 0 65.55 nta/Rbs Hagh/Lor 175.00 10 0 0 0	9.75 9.81 9.75 9.81 9.77 9.80 0.77 9.80 0.77 9.80 9.72 9.80 9.80 9.80 9.80 9.80 9.80 9.80 9.80	Jul Sep Dec Marr May Jul LIVE G. Jun Aug Oct Dec Peb Apr Jun Aug	307/4 282/4 256/4 5,000 bu n Close 394/6 411/2 411/2 332/0 332/4 332/4 332/4 332/6 332/6 332/6 332/6 68.12 68.15 66.22 68.15 70.30 64.50 66.22 68.15 48.15 48.15 48.05 49.35 4	297/0 272/4 258/4 Previous 374/0 381/8 391/2 391	307/0 282/4 282/4 8b-bushed High/Lo 359/40 401/8 411/2 4111/2 4111/2 4111/2 4111/2 4111/2 4111/2 4111/2 65.75 65.75 65.75 65.75 65.75 67.65 69.17 71.67 49.4	300 300 300 300 300 300 300 300 300 300
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di water programment and the state of the st	451.9 452.8 452.8 455.8 450.9 460.9 471.3 471.8 487.6 Close 675.5 577.0 583.6 593.5 590.5 590.5 712.9 715.5 720.3 725.1 739.6 744.3 727.6 2 25.000 to 100.60 95.30 98.30 98.30 98.40 98.40 98.40	450.6 451.8 451.8 451.8 451.8 451.8 451.5 460.8 470.1 460.1	0 457.8 463.0 463.0 472.5 478.0 482.5 0 585.0 585.0 7.72.5 0 7.72.5 0 7.72.0 0 7.72.	451.0 0 454.7 459.8 464.5 472.0 472.0 472.0 482.5 0 568.0 575.0 581.0 575.0 581.0 705.0 0 745.0 0 0 745.0 0 0 745.0 0 0 745.0	Jul Oct COTTO Jul Oct COTTO Jul Oct COTTO Jul Oct COTTO Jul Sep Nov Jan Mar May Jul Sep Nov Jan Mar May Jul Sep Nov Jan Sep Nov Sep No	STATE OF STA	17" 112,000 Previous 6.67 9.88 9.80 0.90 6.78 9.77 0.76 emis/libe Previous 66.91 85.66 84.81 96.18 65.40 65.55 53.55 5,000 lbs; ce Previous 173.50 153.45 154.60 153.45 153.45 153.45 153.45	Bir, centsi High/Lor 9.99 10.04 0 9 95 0.42 9.78 0.42 9.78 68.91 67.49 0 65.55 nta/Ris 193.05	9.75 9.81 9.75 9.81 9.79 9.79 9.80 0.77 9.80 0.78 66.25 66.25 66.36 66.00 0 65.65	Jul Sep Dec WHEAT Jul Sep Doc Mary Jul LIVE G Aug Oct Feb Apr Jun LIVE H Aug Oct Feb	307/0 252/4 252/4 256/4 256/4 256/4 256/4 256/4 256/4 256/4 256/4 256/2	297/0 272/4 258/4 nin: cents/60 Previous 374/0 381/6 391/2 381/4 375/0 341/4 00 lbs: cents Previous 71.00 71.00 71.00 71.00 Previous 50.85 49.57 47.25 47.40 45.57 48.80 Previous 45.47 45.87	307/0 282/4 282/4 Rb-bushed High/Lc 359/0 401/8 401/8 359/0 71,47 65,75 65,75 65,75 65,75 67,167 71,67 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 49,57 47,40 48,50	300 300 300 300 300 300 300 300 300 300

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

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Dollar loses momentum

THE EUPHORIA created by April's encouraging US trade data evaporated yesterday, as the dollar failed to attract any strong follow through demand. Investors were faced with something of a dilemma. While dollar bears have received a bloodled nose from Tuesday's figures, the buils feel restrained by fears of central bank intervention and a desire to

restrained by fears of central bank intervention and a desire to keep currencies on an even keel ahead of the weekend's G7 summit in Toronto.

In addition, data released in Washington yesterday was regarded as being somewhat neutral. Retail sales figures for May showed a rise of 0.1 p.c. after an adjusted 0.4 p.c. decline in April, while the non-auto element rose by 0.5 p.c. against an April decline of 0.3 p.c. Industrial production was up by 0.4 p.c., double that of the mean forecast, compared with a revised 0.6 p.c. increase in April.

The dollar closed at DMI 7530 from DMI 7453 and VISS 004.

pared with a revised 0.6 p.c. increase in April.

The dollar closed at DM1.7530 from DM1.7485 and Y126.20 compared with Y126.40. Elsewhere it finished at SFr1.4660 from SFr1.4625 and FFr5.9125 compared with FFr5.8900. On Bank of England figures, the dollar's exchange rate index rose from 94.3 to 94.5.

The French franc was slightly around 1½ p.c., enjoyed by Euro Dwarks over Euro Swiss franc deposits, has contracted to just and although this was down from FFr3.3737 at the start, it was up from FFr3.3787 at the start, it was up from FFr3.3685 on Tuesday.

Em European Currency Unit RATES

Sterling benefited from the dol-lar'a hesitation and built on a steady opening, as investors took profits and switched funds into sterling. The pound is still regarded as a high yielding cur-rency and seems likely to benefit from any check in the dollar's

£	IN	NEW	YORK
_			

June 15	Latest	Previous Close
£ Spot	1.7875-1.7885 0.08-0.07pm 0.48-0.45pm 2.17-2.07pm	1.7855-1.7865 0.07-0.06pm 0.37-0.34pm 1.70-1.60pm
	ns and discounts app NG INDEX	

CURRENCY RATES							
June 25	Bank rate	Special* Orawing Rights	Europeas Currency Unit				
Sterling		0.750146 1.36174 1.66819 16.5247 49.1248 MJA 2.34914 2.63769 7.93043 1.746.81 1.70.449	0.665144 1.18695 1.44725 14.6161 43.4335 7.88075 2.07811 2.33342 7.00597 1542 74 149.912				

CURRENCI	WALTENEDIS					
June.15	Bank of . England Index	Morgan !! Guaranty Changes %				
Sterling U.S. Dollar U.S. Dollar Lorandian Dollar Austrian Schilling Belgian Franc Deutsche Mark Swiss Franc Guilder French Franc Lira	76.4 94.5 83.0 136.5 96.1 91.8 146.1 170.0 175.2 70.3 45.7	15.7 -12.8 -3.5 +10.2 +5.4 +1.9 +21.6 +21.5 -13.8 -20.5 -20.5				

OTHER CURRENCIES

June 15	Ē	S
Argentina	14 1905 - 14 2880	7.9500 - 8.0000
Australia	2.2200 - 2.2230	1,2450 - 1,2464 176 15 - 177 05
Brazil	314.45 · 316.20 7 4020 · 7 4155	4.1455 - 4.1475
Sceece	247 95 - 252 30	138.90 - 141.30
Hoog Kong	13 9300 - 13 9470	7 8060 - 7.8080
Itan.	123.25° 1295.75 - 1307.50	67.10° 725.50-732.10
Korea(Sth) Kuwait	0.49430 - 0.49480	0.27695 - 0.2770
Logarbourg	65.35 65.45	36.55 - 36.65
Malaysia	4 6010 - 4.6130	2.5780 - 2.5810
Mexico	4051.95 -4089.95	2270 00 - 2290.0 1.4220 - 1.4235
N Zenland	2.5320 · 2.5370 6.6945 · 6.7005	3 7505 - 3 7515
Sincapere	36160 - 36215	2.0250 - 2.0270
S ALICON	4 0575 4 0690	2.2790 - 2.2805
S M (Fa)	5.3310 - 5 4535	2.9890 · 3.0535
Talwan	50.90 - 51.20	28 55 - 28 70

MONEY MARKETS

UK rates easier on steady pound

INTEREST RATES slipped back in London yesterday as the pound showed a steadier trend. Three-month interbank money slipped, while the one-year rate was lower.

A first bar averaging took the

Despite the pound's recovery,
many dealers still believed that
the authorities retained the into account the earlier help, and
the Bank gave additional assistance of £56m through outright

gl₂ per cont trost June 5

option to push rates firmer, with out necessarily seeing the pound made no changes in credit policies or key landing rates at the control of the control of

Overnight money opened at 6%-6% p.c. and moved up to 7 p.c. before touching a low of 5% p.c. Late balances were taken

nearer 8 p.c. however. The Bank of England forecast a could prompt a higher sale and shortage of around 2450m, with repurchase rate. factors affecting the market Traders also including bills maturing outside German money supply was official hands and repayment of already running above target, any late assistance, together with and Japanese short term rates e take up of Treasury bills adding were nudging firmer. Much could depend on the outcome of this brought forward balances 185m weekend's meeting of G7 minisabove target. These were offset ters in Toronto.
by Exchequer transactions which in Amsterdan by Exchequer transactions which drained 1655m, and a rise in the note circulation which accounted to a large transaction of Fl 3.1bn for its latest six-day special for a first large transactions.

advances, at an unchanged rate for a further £95m. The forecast was revised to a of 3.9 p.c.

	Eco central rates	Carrency amounts against Eco June 15	% change from control rate	% clange adjusted for overgence	Disergence Davil %
Belgian Franc Danish Krone German D-Maris Franch Franc Datch Galfrier Irish Punt Rallan Lles	42,4582 7,85212 2,05853 6,90403 2,31943 0,768411 1483.58	43.4335 7.89075 2.07811 7.00997 2.33342 0.776088 1542.74	2345 425 425 425 425 425 425 425 425 425 4	*1983 993 993 993 983 983 983 983 983 983	±1.5344 ±1.5404 ±1.0981 ±1.3674 ±1.5012 ±1.6684 ±4.0752

alian Ura	1483.58	2542.74	+3.99	+3.26	±4.
anges are for Ene, therefor Sustainent calculated by Fin	e positne change	denotes a weak co	ertoky		
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					
OUND SPOT-	FORWA	RD AGAI	NST THE	POUND	

June 15	Day's spread	Close	One month	pa	Three months	7 P.
mada	1.7825 - 1.7825 2.1727 - 2.1795 3.50 - 3.524 6.50 - 65.50 11.804 - 11.884 1.1625 - 1.1705 3.114 - 3.134 52.40 - 25.5 90 20094 - 23254 11.33 - 11.364 10.514 - 10.864 22 - 226 21.92 - 226 2.61 - 2.62 2.61 - 2.62 2.61 - 2.62	17800 17870 21720 21730 3514 3524 4535-6545 1187-1188 11875-11885 3113-1334 2480-2568 313-1334 324-234 11554-11584 10554-10554 10554-1056 225-226 220-2264 224-224	0.09-0.06cpm 0.15-0.25cdls 13-, 2-gpm 18-5cpm 18-5cpm 18-5cpm 54-33cdls 20-4cdls 2-64cdls 1-2-4cpm 13-2-4cpm 13-2-4cpm 13-2-5cpm 14-5-5cpm	050 1103 1151 151 151 153 154 157 176 177 177 177 177 177 177 177 177 17	0 49-0 44pm 025-0_38dii 44-33pm 52-34pm 14 pm 1-985 0 45-0 60dis 44-34-pm 142-28diis 113-1134dis 34-24pm 57-44qsi 214-213pm 57-24pm 57-24pm 57-24pm	104 458 448 263 180 5.06 3.37 -1.07 -2.64 1.23 -1.59 4.45 5.53

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

Jee.15	Day's spread	Close	One month	p.a.	Terrer countris	P.a.	l
UK1	1.7825 - 1.7885	1.7860 - 1.7870	0 09-0.06cpm	0.50	0 49-0,44pm	2.04	Į
Capada	1.5250 1.5330	1.5275 - 1.5285	0.13-0.23cds 0.15-0.18cds	1.30	0 43-0.58dis 0.48-0.51dis	132	ı
Metherlands	1.9605 - 1.9705	1.9680 - 1.9690	0.59-0.57cpm	3.53	1.71-1.66pm	3.42	ſ
Belgiom	36.45 36.70	36.55 36.65	5.30-4.70cpm	1.44	16.00-13.00pm	1.58	ľ
Denmark W. Germany .	1,7450 1,7550	1.7525 - 1.7535	0.30-0.80oredis 0.57-0.54otom	-0.99 380	1.30-1 80ds 1.69-1.64om	-0.63 3.80	ı.
Portugal	1421 1431	1424 143	40-55cdls	399	135-135dis	-4.48	ı
Spaig	11525 11585	11565-11575	17-27cdls	-2.28	57-67dis	2.14	ı
Italy	1296 - 1302	1300% - 13014	2.50-3 00 redis	-2.54	8.50-9,5009	-2.77	ı
Morney	635-637	6.354 - 6.364	2.80-2.95oredis	542 0.32	8.60-8.80414	-547	١,
France	5.884 5 92 6 064 6 084	6074 6084	0.19-0.13cpm 1.30-1 40oredis	-266	0.32-0.18pm 3 90-4 10sk	017 -263	li
Lanzan	126.00 - 126.35	126.15 126.25	0.37-0.34mm	3.37	1.05-1.00pm	3.33	
Anstria	12.28 - 12.34	123212 1233	3.95-3.65gropm	3.70	11,30-10.30pm	3,51	ľ
Switzerland	1,4620 - 1,4690	1.4655-14665	0.58-0.53cpm	4,54	1.67-1.62pm	4.48	1
UK and frela	of are pointed in US	correscy. Forward o	endums and discour	ts apply to	the US dollar and	not to the	٠

June.15	Short	7 Days notice	Month Month	Months	Sra Months	Vear
Sterling US Dollar Can, Dollar O, Galider Sw. Franc Destschamit Fr. Franc Railan Lire S. Fr. (On) Yes O, Krone Aston SSing	64-74-84-32-33-71-9-58-58-5-8-5-8-5-8-5-8-5-8-5-8-5-8-5-8	7-64 71:74 84:85 4-34 3-24 34-35 71:71 6-54 64-54 85:84 72-74	81.78 75-781 818-31 319-3 319-3 319-3 319-3 319-3 1019-6 64-5-3 4 4-8-7 4-7 4-7	811-82 718-71 91-81 41-31 311-32 71-71 101-10 61-6 61-5 43-4 4-85 72-74	9.49-9.49-9.49-9.49-9.49-9.49-9.49-9.49	95-95 95-95 95-95 43-35-4 15-4 15-4 15-4 65-64 45-8 71-8 8-8 8-8 8-8 8-8 8-8 8-8 8-8 8-8 8-8

EXCHA	NGE (CROSS	RATI	ES							Previous day's open int. 7672(5902 CURRENCY FUTURES
June 15	£	S	DM	Yes	F Fr.	S Fr.	H FI,	Lira	Cs	8 Fr.	LIFFE-STERLING £25,000 S per £ Close High
£	0.560	1.787	3.133 1.753	225.5 126.2	10.56 5.909	2.620 1.466	3.518 1.969	2324 1301	2173 1216	65 40 36.60	Sep 1 7809 Dec 1,7750 Mar 1,7699
DM YEN	0.319 4.435	0.570 7.925	13.89	71.98 1000.	3.371 46.83	0.636	1.123 15 60	741.8 10306	0,694 9,636	20 87 290.0	Estimated Volume 0(5) Previous day's open ant. 150(145)
F Fr. S Fr.	0.947	1.692	2.967 1.196	2135 86.07	10. 4.031	2.481 1	3.331 1.343	2201 687.0	2.058 0.829	61.93 24.96	POUND-S (FOREIGN EXCHANGE)
H FI. Lira	0.284 2.430	0.508 0.769	0.891 1.345	64.10 97.03	3.002 4.544	0.745 1.127	1514	660.6 1000.	0.618 0.935	18.59 28.14	Spot 1-mh. 3-mh. 1.7865 1.7858 1.7819

0.466 0.822 1.442 103.8 4.860 1.206 1.529 2.732 4.791 344.8 16.15 4.006

purchases of eligible bank bills in band 4 at 8% p.c. Total help came

terday's meeting of its central

council Dealers were not expect-ing a rise in the discount or Lom-bard rates but suggested that the

dollar's recent improvement

Traders also noted that West

	meths US dollars		6 months US Dollars				
bld 74	offer 74	bid	75	effer 73			
e market to fire reservoe back o, Deutsche Bank, Banque Mat DNEY RATES	ional de Paris and Morg	an Guaranty T	nst.				

4.50 7.00 340625 94-104 3.75 74-74

LONDON MONEY RATES

FT LONDON INTERBANK FIXING

	June 15	Övernigist	7 days potice	Çine Monuh	Three Months	Şir Montis	One Year
	locertank Offer	8	73g 64	0	8%	4456554-A	912
	Interbank Bld	5Ĭ ₂	64	75	84. 84. 84. 84.	82	914 914 915 915
	Sterling CDs	•		712	8,8	813	94 1
	Local Arthority Dess	65	74	72	87	82	ક નહીં
	Local Authority Bonds			84	27	92	93
	Diszount Mirt Deps	7	17	79	i 84		
	Company Deposits	7 65g	1 7	81 711	8%	9	qu ₂
	Finance House Deposits			712 .	בַּיַּסַ	9 !	92
	Treasony Bulls (Buy)	- 1		74	0½ 8¼		!
	Barnit Billis (Buy)	- 1	l - i	7 2 71 71	0,4	83%	1 - 1
	Fine Trade Brills Buyl		-	87	9 (1) 7 50-7,45	7 60-7.55	! . /
	Dollar CDs	- !		7.45-7.40	7.50-7.45	760-755	
•	SDR Liplad Dep Offer		ł . i	6	62	61.	62
	SOR Linked Dep Bill			5%	56	67 63	614 614 618
	ECU Licked Dep Offer	-		5%	6%	642	64 1
	ECU Linked Der Bid	-		56	6	64	64
	Treasury Bills (sell), on	e-moots 7% or	r cedi. three an	oneis 8 4 per o	egt, Bank Bills	iseli/ age-man	th 74, per cent;
	three months 8!; per cent:	masery Slik. i	åøvade lender i	rate of discount	80079 pc E0	GO Fired Rate	Starling Second 1
	Finance Make up thay May	31 . 1988. Ad	arrest cases, for a	erina June 26 i	1968 to July 2	5 1986 Scher	ne i 937 oc. i
	Schemes II & III: 9.39 p.c. i	deletence sale i	or period April	30.1988 to Ma	v.31 . 1988. S:	heme PV & V: 8	LLI4 E.C. Local 1
	Authority and Finance House	es seven dans' m	otice others ser	endors fixed	Finance Houses	820 Rate 81/2°	a from Juse 1 . 1
	1988 Bank Devokit Rates to	N SURTE AL SIMON	days notice 2 or	r cent. Certifica	tesori⊺ax Decor	utOemesa∵Dt	555K; £1800 0000 f
	and over held under one man	ch 715 der cene.	COR-Sheer WOOD	to 84 per cent	STREET SIX FRONT	EST SET CENT	Six-Giffe marchs
	2), or not not realizable no	athr 91	4 Hadas F100 /	W) £	am 13 ~ 17 i96	2 7 644 555	Minham fra cash I

FINANCIAL FUTURES

Profit taking removes the shine

retail sales gave rise to concern that consumer demand was still

ted to lose ground against the Swiss franc, despite breaking through resistance at SF10.8355 earlier this week. Recent Swiss inflation figures have given rise for concern. Data released yesterday showed wholesale prices ris-ing by 0.2 p.c. in May, to give a year-on-year increase of 2.2 p.c. However, West German prices for May - also released yesterday -while higher by 0.3 p.c., showed only a 0.5 p.c. increase from the same month last year.

LIFFE E/S OPTIONS C25.000 (cents per £1)

LONDON (LIFFE)

Estimated Volume 234(15)
Previous day's poen int. 2474(2489)

Est., Vol., (Inc., Figs., not, shown) 14518(17702) Previous day's open Int., 28608(26736)

1-min. 3-min. 6-min 12-min 1.7858 1.7819 1.7759 1.7649

High Low Pres 1.7828 1.7784 1.7808 1.7764 1.7740 1.7748 1.7720 - 1.7694

Since the middle of April, the interest rate differential of around 1% p.c., enjoyed by Euro D-Marks over Euro Swiss franc deposits, has contracted to just half e point. The D-Mark finished

YESTERDAY'S ACTIVITY in the touched a high of 89-20 hefore falling away to close at 89-06, thing of an anti-climax after Tuesday's strong reaction to US

The contract held above a suptrade figures.

Most contracts were virtually unchanged at the end, as profit taking took the edge off the bullish took the edge off the bullish unchanged at the end, as profit taking took the edge off the bullish unchanged at the end, as profit taking took the edge off the bullish toon and soybean futures increased concern about an upward revision in April US retail sales gave rise to concern.

The contract held above a support level et 89-00, touching a low of 89-02. But dealers voiced concern about taking took the edge off the bullish undertone, but with the dollar and US Treasury honds both failing to build on Tuesday's sharp gains, there was little incentive to move either way.

Three-month sterling deposits

quite strong.

The September US Treasury one point hut closed at 97-02 at one point hut closed at 97-09, bond opened firmer at 89-12 and down from 97-15 at the opening

stimated volume total, Calis O Pats O revious day's open Int. Calis 83.1 Puts 25

0 40 2 70 6 70 11 40 16 49 1.30 3.40 6.90 11.40 15.40 CHICAGO

JAPANESE YEN UM Y12.5m S per Y100

but barely changed from Tues-day's close of 97-10. The prospect of higher interest rates to curb inflationary trends still provided

Long gilt futures finished virtually unchanged. The September contract tonched a low of 97-02 at one point but closed at 97-09, touched a high of 90.65 before

closing at 90.61

FI 205
FI 2105
FI 2205
FI 225
FI 230
FI 215
FI 210
FI 215
FI 225
FI 226
FI 225
FI 226
FI 225
FI 185
FI 195
FI 195
FI 195 010 010 150 1150 1150 1150 1150 133 244 735 160 20 195

> ABN C ABN P AEGON C aEGON C aEGON C AKZO C AKZO C AMRO C AMRO C AMRO P BUHOMAN BUHRMAN ELSEVIER C ELSEVIER C ELSEVIER C 15 25 10 4 213 17 4 60 1 80 3 30 11 50

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BASE LENDING RATES Comm.Bk.N.East Marwich Geo Trust . PK Finars Intituto Promposal Bank PLC R Raphael & Sons Roxburghe G rantee Royal Bk of Scotland Coetts & Co..... Cypres Popelar Bk ... Denbar Bank PLC... Banco de Bilbao .. Exeter Trast Ltd. Bank Lenni IUKO Bank Credit & Comm Bank of Cyprus Bank of Leland Standard Chartered United Bk of Kercart United Mizrari Bank Bark of Hotal Bark of Scotland Barge Belge Ltd Barclays Bank Benchmark Bank PLC Unity Trust Bank Ptc Western Trust Westpac Bank Corp. HEC Bank PLC Berliner Bank AG Bult Bk of Mid East Hill Samuel C. Hoare & Co. • Members of British Merchant Banking & Securities Houses Association, *7 day deposits 3,40% Security 1,000 instant access 8,00% & Mortgage base rate, § Gemand deposit, 3,00%. Mortgage 9,125% - 9,5% Hongkong & Shangh Lloyds Bank Meghraj Bank Ltd Midland Bank

These securities may not be offered, sold or delivered, directly or Indirectly, in the United States or to U.S. persons or in Japan or to Japanese persons as part of the distribution.
This announcement is neither an offer to sell nor a solicuation of offers to buy any of these securities. These securities, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of ony agency instrumentality thereof other than the Federal National Mortgage Association.

NEW ISSUES

14th June, 1988



Federal National Mortgage Association

6% Dual Currency Japanese Yen/U.S. Dollar Debentures Due 1993 and

7% Dual Currency Japanese Yen/U.S. Dollar Debentures Due 1993

Issue Price: 101% Per Cent of the Aggregate Issue Amount, Plus Accrued Interest, If Any.

6% Debentures

Aggregate Issue Amount: Japanese Yen 10,000,000,000 Aggregate Principal Repayment Amount: U.S. Dollars 84,033,600

7% Debentures

Aggregate Issue Amount: Japanese Yen 10,000,000,000 Aggregate Principal Repayment Amount: U.S. Dollars 81,300,800

Nomura International Limited

J.P. Morgan Securities Ltd.

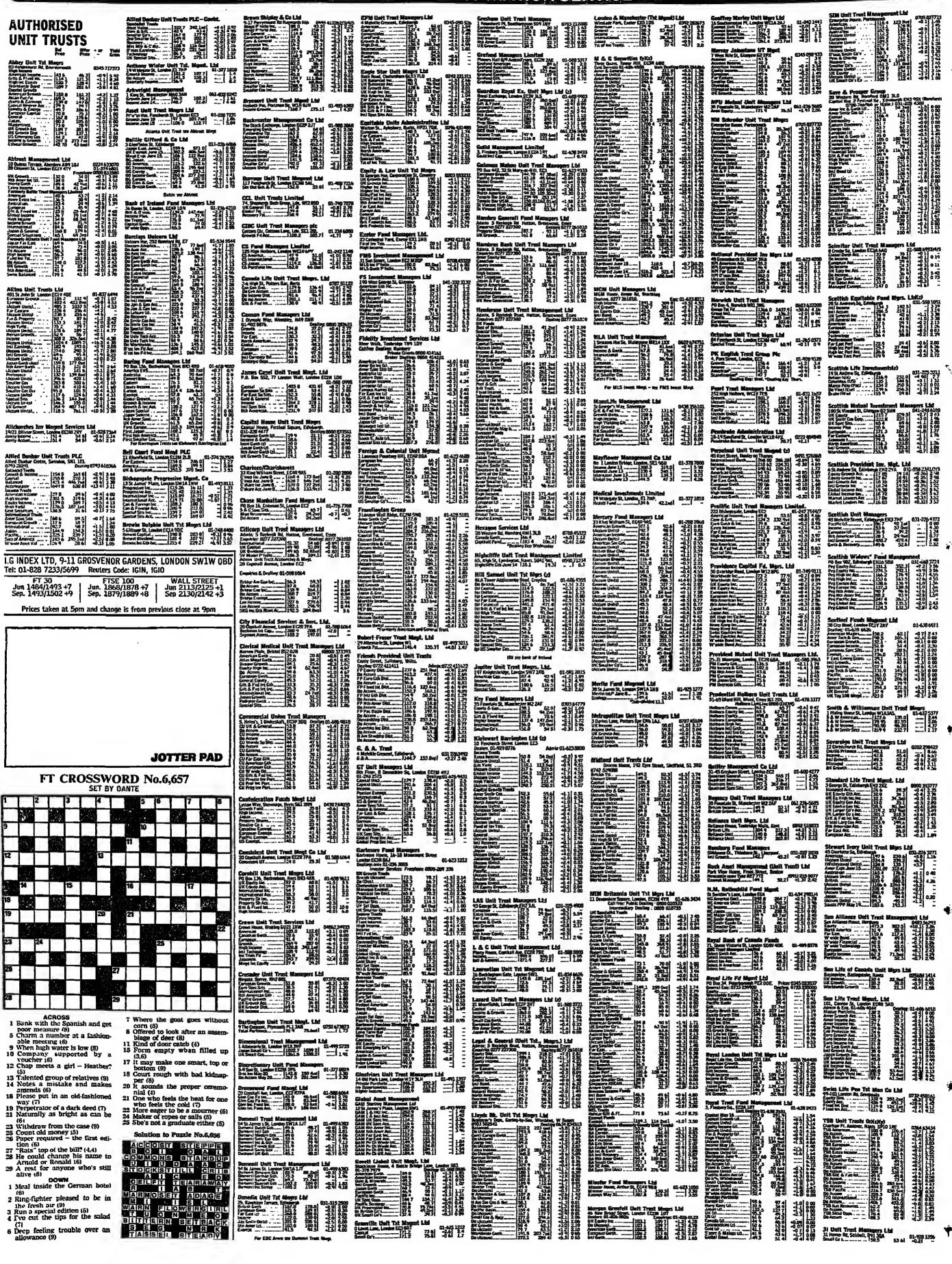
Toyo Trust International Limited

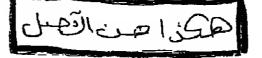
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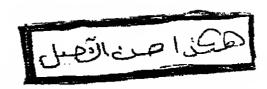


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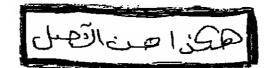
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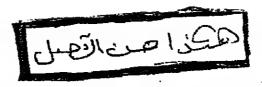
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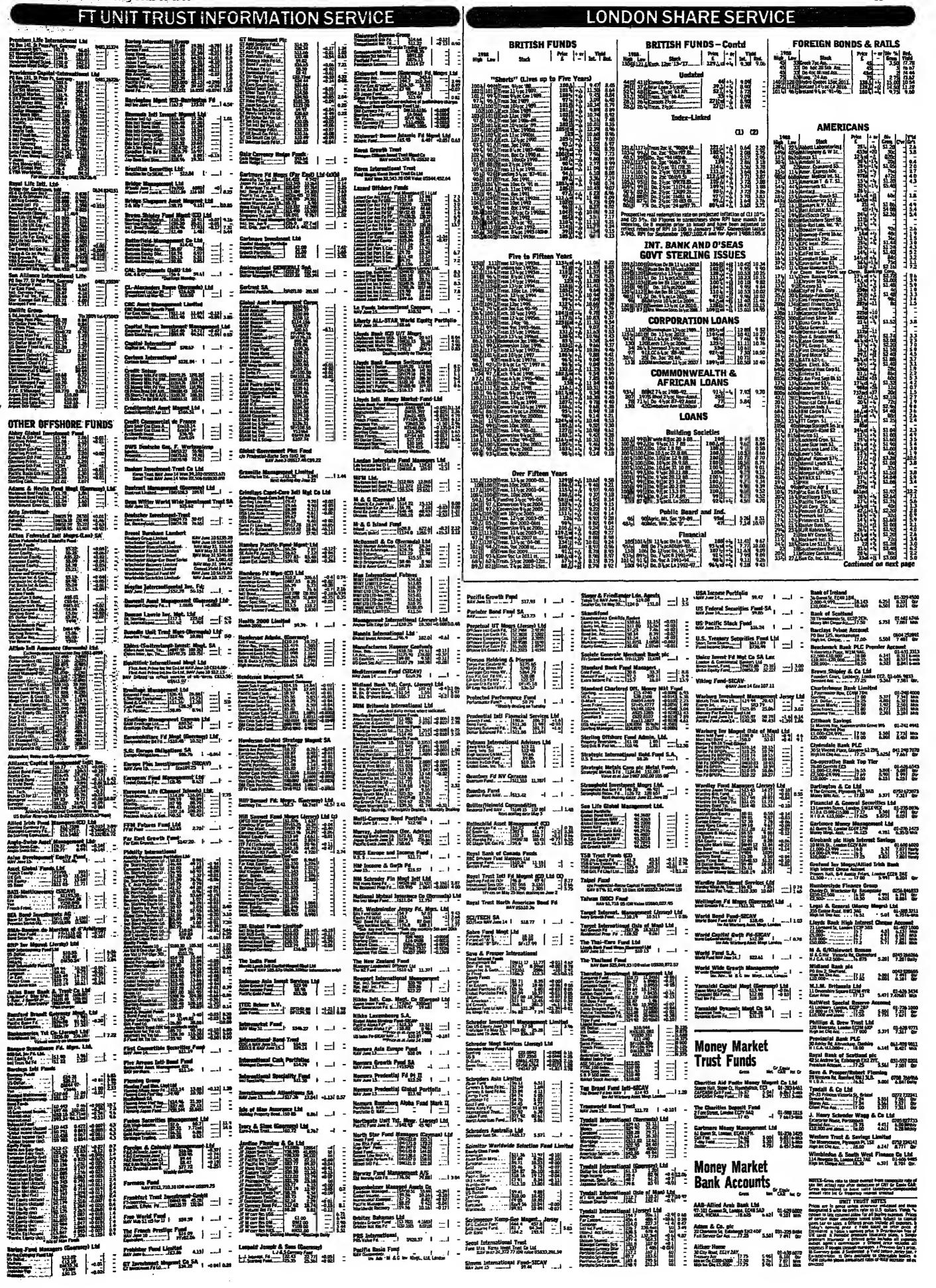
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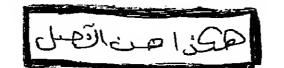


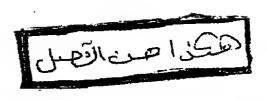
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Financial Times Thursday June 16 1988	LONDON SHARE SERVICE
LEISURE CONTAIN MADERITATING, ADVERTISING CONTAIN ADVERTISING CONTAIN	TRUTH S. Cords TRUST S. FINANCE, LAND CORDS TRUST S. FINANCE, LA
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June 30 Jul 14 THE UK securities markets yes-

terday maintained the improvementsparked off by Tuasday's disclosure of a narrowing in the US trade deficit, although an attempt to move further ahead was checked when Wall Street made a slow start to the new

With the pound easier initially, major exporting stocks led the market in a gain of 18.3 FT-SE points by mid-session. Some insti-tutional business was seen. although the major funds were clearly waiting to see bow Wall Street, and the dollar, performed. Gains were quickly trimmed as the pound steadied and by the end of the day blue chip issues

showed an irregular pattern.
The FT-SE 100 Index closed a
net 3.1 up at 1869.3. Seaq turnover jumped to 551.7m shares, the
best figure for several weeks. Demand from the hig invest-

ment institutions was selective. Among the more obvious dollar earners, it was the pharmaceuti-cal groups, including Glaxo and Wellcome, which made the run-ning. Speculative interest continued to help composite insur-ances, but food stocks had a quiet

Fund managers are somewhat restrained by the approach of the June 30 end of the quarterly trading period, and remain cautious of changing their current cash-holding policies until the outlook for the US dollar becomes more certain. However, the improvement in the US toda defect. ment in the US trade deficit is regarded as a significant plus for investment sentiment, as is the hreakout ahove 1855 on the

London appeared unconcerned over Public Sector Borrowing Requirement statistics for May, dne today which are expected to show a surplus of £400m or so. Long-dated Government bonds

gave back % or so of the substantial gains chalked up in the wake of the US trade figures, but the sector remained huoyant. There was a welcome return of institu-tional huyers, who took np profit-taking sales hy the trading

houses without much difficulty.
Index-linked Gilts closed little changed, after the authorities had supplied some of the '94 tap stock at 40%. The Bank still has the bulk of this £400m issue in hand, so there are no significant

strains in the marketplace. National Westminster shares dipped 15 to 575p in late trading after Warburg Securities reduced its profits forecast for this year from £1,460m to £1,350m. Warhurg points to the potentially

Trading volume increases as equities and Gilt-edged

adverse effects on NatWest of currency factors, of the fall in global lending spreads and of consolidate their advance cost pressures.

However, the bearish view coincided with a "short term buy" recommendation from SBCI Savory Milln which regards Nat-West as "the quality stock in the

	FI	NANC	IAL	IIVIE	210	CKI	VDICES			
	June	Jurae	June	June	June	Year		66		mpila:/as
	25	14	11	10	9	Ago	High	Low	High	Low
Government Secs	90.24	90.03	89 80	89.89	89 80	92.38	91.43	86.97	127.4	49.18
			l	l			118/40	(13/1)	(9/1/35)	(3/1/75)
Fixed interest	98.36	98.20	98 18	98.12	98.08	98.85	98.67	9414	105.4	50.53
Ordinary 🕈	1485.6	1482.7	1458.6	1468.2	1463.7	1801.7	(25/5) 1482.7	(8/1)	(28/11/47) 1926.2	(3/1/75) 49 4
01011217 ¥	1403.0	1402.7	1436.0	1700.2	1400.7	2002.7	(14/6)	1349.0 (8/2)	(16/7/87)	(26/6/40)
Gold Mines	221.8	221 2	217.2	226.6	228.5	380.2	312.5	195.4	734 7	43.5
							(7/1)	03/5)	(15/2/83)	(26/10/71
Ord. Otv. Vield	4.45	4.45	4.53	4.50	4 52	3 17		S.E AC	TIVITY	
Earnings Yid. %(full)		11.41	11 64	11.57	11.60	7.66):	dices	June.14	June 13
P/E Ratio (net)(*)		10.68	10.48	10.54	10.51	16.09	Gilt Edged I	Bargains ,	127.0	99.3
SEAQ Bargains (Spm)		25,773	25.040	25.790	27,359	52,863	Equity Barg	ala	.] 171.1	202.8
Equity Turnover (£m)		1064.99	1304 26	1517.85	1101.55	1811.74	Equity Valo	t	2152.6	2636.2
			31.294	30,223	28,930	64.368	Glit Edged H	ge Sargains ,	108.1	104.9
Equity Bargains		26,416					Equity Barg	ains	. 184.3	188 0
Shares Traded (ml)	-	390.6	388.1	591.0	446.1	837,2	Equity Valu	e	2423.6	2509.5
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♥ Opening 10 a	.m.	11 a.m. 12 p.m.			1 p.n	I	2 p.m.	3 p,m.	4	o.m.
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		Day's	High 14	198 3	Day's	low 14	185.6			

Basis 100 Govt. Sess 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, S E Activity 1974, * Nil =10.57 LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

per cent up at a record £302m despite currency fluctuations.
The subsequent meeting with analysts, however, was described as "low key" and regarded as a little disappointing in some quarters. Nevertheless, the figures strongly, enjoying an unexpect-edly favourable reception of the preliminary statement. Connty NatWest WoodMac seemed par-ticularly impressed and advised, "In a year of divestment in the US and a fundamental restructur-ing in the IIK presults were better generated a lively two-way trade and, with sellers eventually gain-ing the ascendancy, the Pilkinging in the UK, results were better than expected and an excellent ton share price closed a 6 easier start has hat 209p. Volume was around 13m. rent year". start has been made to the cur-

Reed International shook off The securities house has mar-Reed International shook off some of the caution generated ginally raised its forecast for currencently by the proposed disposal of its paper and packaging interests. Earlier this week the group announced the first phase of the programme with the sale of the programme with the sale of the Canadian subsidiary, North American Paper, to Daishowa of Janan for \$284m. The price 3055

American Paper, to Daishowa of prospered to close 8 higher at Japan for £284m. The price exceeded expectations but most market followers remained wary.

Two analysts who disagree with the majority verdict are the publishing team of Chris Munro and Colin Tennant at Hoare Government on Wall Street. Glavo, ett the securities house They and Colin Tennant at Hoare Govett, the securities house. They think the overall disposal of Reed's paper and packaging interests should raise around £880m, removing low quality earnings and creating funds for further expansion in publishing.

"We expect attention to focus on the opportunities for high quality earnings growth in the longer term, rather than short term dilution, and remain buyers on a medium term view", they said. Demand increased yesterday bringing a total of 2.5m and colin Tennant at Hoare Governance on Wall Street. Glaxo, York last week. Reference was made to the underlying nervousness over the outcome of the UK Monopolies and Mergers Commission inquiry into the 22 per cent stake in BP held hy the Kuwait Investment Office.

"We expect attention to focus on the opportunities for high quality earnings growth in the longer term, rather than short term dilution, and remain buyers on a medium term view", they said. Demand increased yesterday bringing a total of 2.5m

on a medium term view", they said. Demand increased yester-busy again, led by Abbey Life, day, bringing a total of 2.5m the unit-trust linked group, shares traded, and the close was which added another 8 to 337p 5 higher at 413p. amid further suggestions of Early gains in the Brewery sec-Northern Foods moved ahead stakebuilding by Banque Paribas. tor were gradually eroded and

Legal & General also attracted the leaders closed only modestly speculative support again, rising 10 to 305p hut Pearl eased 7 to

518p. In the composites, Royal shaded a few pence to 414p on news of a planned deal with Gronpe Victoire of France. London is waiting to see if the deal, which still requires sanction by the French authorities, will require an issue of shares hy

Royal.

British Gas closed a couple of pence better at 179p, with two large trades seen in the shares ahead of the results, expected today. The market looks for good profit figures and an increased dividend payont.

Shares In British Petroleum eased slightly, the new to 69p and the old to 267p, as the London analysts attended the UK showing of the annual investment seminar first presented in New York last week. Reference was

news. Burmah, still favoured as a bid target, put on 10 to 571p.

higher on the session. Regional stocks fared a little better with Young & Co "A" rising 15 to 465p and Yaux improving 5 to 573p, but there were casualties. Buckley's remained under the cloud of the Parley Clayers of its legist.

London International Group enjoyed another hrisk day's trading as the market continued to take a hullisb stance on

Bowater featured a rise of 14 at 132p, with gains of around 7.
395p as CountyNatwest Wood
mac, the securities house, jump of 33 at 233p in response to Bowater featured a rise of 14 at

LONDON TRADED OPTIONS

John Laing remained in the lime-light, rising 13 more to 356p. light, rising 13 more to 356p.
Demand has recently been aroused by a profits uprading from BZW, the securities house.
Chemical shares, thought to have been overlooked for some while now, encountered further demand. Laporte ended 12 dearer at 435, while Hickson closed near the day's best with a rise of 13 at 217p. further progress, with Renters outstanding again at 551p, up 13, in the wake of fresh overnight demand for the ADR's in the US.

Among the Stores, Marks and Spencer continued to claim considerable attention (volume expenses)

amounted to some 4.5m) with the shares closing a couple of pence firmer at 1779p; dealers reported the day's best with a rise of 13 at 217p.

Still responding to a Morgan Grenfell circular, United Newspapers advanced 7 further to 434p while Bunzl emerged from the shadow of currency influences to close 10 up at 155p. UK Paper, which marketmakers said had been left behind recently, also staged a revival and ended 10 higher at 155p.

Properties eased slightly after early gains and Hammerson A settled 8 up at 641p. The stock remains attractive, say analysts, good support around the 178p level. Storehouse also encountered a good demand, closing 9 to the better at 280p, after having touched 262p. Inevitably, the advance gave rise to talk of another approach, later in the year, from Mountleigh Group. Around 4m chares in Storehouse

changed hands yesterday. Harris Queensway, down 7 at 161p, met occasional profit-taking after the recent good run on sugremains attractive, say analysts, because the currencies it is most exposed in - the Australian and gestions of Scottish entrepeneur, Mr James Gulliver, leading the consortium negotiating an agreed Canadian dollars - have strength-ened considerably in the past few

takeover of the group.

Plessey were favoured, helped by an analysts' visit yesterday to its electronic systems division and in advance of a defence seminar, to be hosted by BZW today. The shares rose 5 to 163p. STC moved 9 higher to 281p after a Flemings Research presentation and Cable & Wireless were the Barlow Clowes affair, losing 10 more to 145p, while J.A.Devenish reacted further to 328p, still reflecting disappointing mid-way profits. After Tuesday's surge on a report of a possible offer, Invergordon Distillers encountered profit-taking and ended 8 lower at 285p. affected by expiry of the 650 traded option series and falling 8

to 655p. News of a share placing and take a hullisb stance on long-term prospects for its health and personal products and touched 282p bid before settling 2 firmer on balance at 276p for a two day gain of 17.

Rowater featured a rise of 14 at 132p, with crips of argued 7.

upgraded its profits forecast for news of the recommended share the group. Airsprung, reflecting exchange offer from Wagon the good annual results and the Industrial. The latter, which also announcement of a one-for-two announced preliminary figures, scrip issue, moved up 11 to 228p. reacted 16 to 307p.
Selected overseas earners made The majority of Building

NEW HIGHS AND LOWS FOR 1988

Other property highlights were Regalian, 5 better at 214p and still considered by traders to be an excellent buy, and Evans of Leeds, 10 firmer at 178p.

Bid speculation gained momen-

tum in Dawson International after Tuesday's unjuspiring annual results and the shares

rose 9 to 219p. Kleinwort Grieve-son qualifies its rating of a "weak hold", commenting yesterday, "with a host of of brand names, strong balance sheet and quality

image Dawson is an obvious

takeover candidate. However, it

is external trading conditions

Ė			gains			7.	Stock	Volume 000's	Stock	Volume 000's	Stock	Volume
						red a	ASDA Grown	4.100	General Accident	1.600	Prodectial	3,600
	iump	of 33	at 23	3n in	respo	nse to	Allied-Lyons	2.400	General Elect.	9,600 2,000	Racai	1.50
	Avano	OF +1		oww.	hobe	share	Amstrac	1,700	Glaxo	2,000	Rank Org	80.
							Argyl) Group	4,800	Globe Investment	858	RMC	533
	excb	ange	offe	r fro	m V	Vagon	Assoc. Brit, Foods	799	Granada	2,100	RHM	2,600 B
,	Indus	trial.	The	atter.	which	h also	BAA	2,100	Grand Met	2,200	Redland	1,500
							BA7	2,900 1,000	Guardian R.E.	577	Reed Intl.	2.25
•					ILA II	gures,	8ET	410	GKN	1,500	Reed Intl.	3.100
	react	ed 16	to 307	p.			BOC	1,000	Guinhess	1.800	RTZ	1.800
•	Th		ajorit		Ru	ilding	BPB lads	1,200	Hammerton	11,000	ROILS-ROYCE	6.00X
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							Barclays	1,900	Hawker Siddeley	764	Rountree	358
-							Bass	997	Hilisdown Holdings .	335	Ryl Bank Scotland	720
3	LOV	75 F	OR '	1988			Beecham	3,350	Mi	4,100	Royal inserance	1.900
							Blue Arrow	2,500	(CI IN MANUAL IN INC.	1.200	STC	3,600
							Blue Circle	971	Incheape	1,700	Saatchi & Saatchi	1,300
	THIRD 1						Boots	2,700	Jaguar	2.100	Scott & Newcastle	1,600 2,200
•			NEW LO				Brit Airways	4,300	Ladbroke	525 784		3.100
						TRICALS	Brit. Aerospace	2,600 551	Land Securities	619	Sears	457
						on, Tele-	Brit, & Comm British Gas	17,000	Legal & General	4,000	Smith & Nephew	10.000
						tcheson.	Dritish aga	3.000	Lloyds Bank	4.400	Standard Chartered.	172
						PAPERS	Brit. Telecom	2.200	LASMO	1,300	Storehouse	4,000
	(1) Maa	r guste Gr	oup, Pfi	OPERTY	(S) Ems	irt, Union	Burmah Oil	1,100	Lonrito	623	Sun Allance	200
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	Southwe	HA) Fless,					Cadbury Schweppes.	2.400	Marks & Spencer	4,400	Tarmac	2,800
	-					_	Coats Viyella	2,900	Maxwell Comm	1,000	Tesco	2,900
	2010						Commercial Union	2,700	Metal Box	2,200	THORN EMI	1,230
l	ONS						Cors. Gold	73	Midland Bank	1,500	Trafalgar House	1,700
	-		4		-		Cookson	1,800	Nat West Bank	5,800	Trusthouse Forte	6,100
							Courtailes	1,200	Next	592	Ultramar	3.600
-	7	CALLS			PUTS		Dalgety	454	Northern Foods	1,750	Unitered Country	1,100
			_				Dec Corporation	1,700	Pearson	111	United Biscuits	2.400
	Apg.	Ros.	Feb.	Aug.	Nov.	Feb.	English China Clays.	954	Pearl Group	690	Welfcome	1.000
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TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

RISES AND FALLS YESTERDAY

British Funds Deporations, Dominion and Foreign Bonds Industrials Insural and Properties Ils Insurations Unles Uthers	Rises 94 21 519 233 34 4 69 145	Fails 12 1 262 89 25 2 36 31	Same 7 31 783 332 48 7 85
Totals	1,119	458	1,392

LONDON RECENT ISSUES

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[218	F.P.	: :	25 119 119 119		ocheby's Hidgs. Class A	995 181 130 81 137 160	-5	2.62 91.3 94.45 93.9 93.1 87.0 83.3 83.4 90.7 90.7	502558 3558 3558 3758 3758 3758 3758 3758 3	18 31 31 31 31 31 31 31 31 31 31 31 31 31	BETT SOUTHWEST
ı	1	F.P. 1	. 1	227	£227 [Southnews 5p	£27%	+1	010 75	ادد	갢	ш
ł	125	F.P.	1/7	134	128 F	horatous	130	- 1	R21	3.7	20	18
1	185	F.P.	1	Bb	81. 4	Total Systems 5p	87	1	82.5	211	4.i	15
1	125 925 9140 9145	F.P.	:1	146	130	Materman Partnerskip 10p Young Group 10p	137	.	QS0.72 R2.1 R2.5 R4.5	3Q [4.4	10.

ΕO	INTEREST	STOCK\$
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E up Date High Low E E E 100 F.P. 142½ 129½ 86 Å M Group ligg Cr. Un. La. 1998 142½ 42 129½ 86 Å M Group ligg Cr. Un. La. 1998 142½ 42 100 F.P. 1096 1005 88Å Group ingc Cr. Un. La. 1998 142½ 42 1006 F.P. 1096 1005 88Å Group ingc Cr. On Ni. Cr. Pf. 1009 10	Issue Price	Amount. Paid	(alest	19	288	Stack	Clasing Price	+ or
FP 29 96.1 100	2		Date	High	LOW	1	£	
			2/9	100 1159 1120 120 120 120 120 120 120 120 120 12	1125 1050 1070 9612 11270 9412 9914 11050	AMEC A-Sp CM Cr PF BBA Group C TSpc Cox Rd Cx Pf. BRI Inapparte City Sexs. Cox, Pf. Lo LT Fiders, B. Zip late Cr. Cox, Rd. Pf. Donger C F J B-Sp Cox Pf. MSp Exterprise Of 100 Apr. Un. Lx. 2013 Exterprise Of 100 Apr. Un. Un. Un. Un. Un. Un. Un. Un. Un. Un	7 150 110 110 110 110 110 110 110 110 110	+ 12144

Essay Price	Arrouet. Pald	Latest	19	88	South	Closing	
P	im	Date	High	Low		Price	-
150 150 150 150 150 150 150 150 150 150	ICI RAN MA MI MI MI MI	15/7 1/7 26/7	30pm 30pm 9pm 785pm 7pm 7bpm 7bpm 29pm	715pm 15pm 21pm	Monarch Resources 10p Telespacia: 5p	30pm 6pm 9pm 785cm 612pm 15pm 27pm	+122
estimaței a Based de la and piele tr racio, based ordinare ch	retralised of test amount ased on pro- ow prosper	kaidend ra earnings. I spectus or ctus or oci contic." 1	EE, COVET IN U Dwideod other official ver official	esed on pre and yield i and yield i and yield i and yield i estimates	estimates d Dividend rate paid or payable or par- oly paid a Owidend and yield exclude special poym- place year's cambes. L Estimates amoughted divid- pased on Prospectur or other official estimates for See for 1997. O Gerous, P Poymess annualised divid- tion of the Comment of the Comment of the W Pro Forma figures. V Exceed by testers 4. Offi- price. In Restructual Comments (See See See See See See See See See Se	ent, a Force lend cover a 1968 at Di lend cover a wed to hop	ast, (and pj viden und pi dera (

FT - ACTUARIES INDICES

sector". General Accident had another

down day as County NatWest WoodMac, believing that the

group is about to bid for either the 35 pc stake in NZI held by Sir Ron Brierley, or for the whole of

NZI, recommended switching out

The market estimates that a full hid for NZI, a leading New Zealand insurance and financial services company, could cost General Accident as much as £700m, which would probably

mean a fund-raising operation. At

927p, shares in Gen Acc dipped 10, making a loss this week of 14.

Pilkington, the worldwide glass manufacturer, produced preliminary figures in line with

most market expectations. Pre-tax profits for the year were 18

of the stock.

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY & SUB-S				We	dnesd	iay J	une 1	5 1988		Tue Jun 14	Mon Jun 13	Fri Jun 10	Year ago (approx
Flg	jures in parenthe stocks pe	ses show	number o	inde tro		/s Y 19e (i	Est. arnings leid% Max.)	Gress Olv. Yield% (Act al (25%)	Est. P/E Ratio (Net)	zđ adj. 1988 to date	Index No.	index No.	Index No.	Index No.
$\overline{1}$	CAPITAL COOO	5 (208)		786	.55 +t	0.6	9.96	3.91	12.51	11.31	781.64	772.89	776.80	963.76
2	Building Mater	lais (291 .		1027	.79 +	0.4	10.68	3.95	11.54	11.36	1024.14			
3	Contracting, Co	nstructio	n (351	2595	.89		10.17	3.35	13.01	25.92				
4	Electricals (12)			2103	34 +	8.0	8.97	4.76	13.79	45.53	2687.07			
5	Electronics (31)		/E4\	1060	.05 +	11	9.93	3.29	13.88	17.77	1642.65			
8	Mechanical Eng Metals and Met	of Forms	no (81)	476	.36 +i	0.8	9.62 10.13	4.30 3.84	12.98	6.85	401.27 468.47			
9	Moiors /13	AT 1 V	ing 40	778	25 +		11.60	4.40	10.01	5.22	276.19		274.55	364.85
10	Motors (131 Other Industrial	Materia	is (24	1312	76 +	13	8.99	4.26	13.23	21.24	1308.83			
21	CONSUMER GR	OUP (187	71	11106	.011 41	0.4	8.73	3.48	14.49	13.03	1102.07			
22	Brewers and Ois	tillers (2)	11	1141	.54 44		10.42	3.54	12.05	13.58	1137.34		1120.63	1235.13
25	Food Manufactor Food Retailing in Health and House	uring (23)) 	986	.84 -4	1.1	8.35	3.48	15.46	13.67	987.93	977.18	983.79	
26	Food Retailing	161		12036	.52 -	0.1	8.24	3.18	16.19	21.46	2037.75		1991.28	2600.57
27	Health and Horn	sehold (12	21	1893	.97	1.4	6.60	2.57	17.66	18.93	1878.58		1849.00	
29	Leisure (301	(17)		1342	.39 -	1.1	7.86 9.36	3.54	16.26	18.36			1338.02	
31 32	Packaging & Pa Publishing & Pr						7.36 8.16	3.89 4.38	13.56 15.45	6.18	504.34 3441.52		497.88	693.17 4106.88
34	Stores (35)	milling va	01	626	78 4		10.10	3.87	13.06	44.73 11.24	825.39	815.73	3419.41 813.20	1146.50
35	Publishing & Pr Stores (35) Textiles (17) OTHER GROUP! Agencies (19) Chemicals (20) Conglomerates (Shipping and Tr			599	49 +1		11.46	4.54	10.19	16.99	592.51	584.24	586.42	886.62
40	OTHER GROUPS	5 (92)		994	58 +0		10.68	4.27	11.48	10.17	902.91	888.23	893.24	1123.62
41	Agencies (19)			1215	52 +0	1.8	6.81	2.22	18.51	11.31	1206.42		1174.13	1628.30
42	Chemicals (20).			1067	73 -0		11.34	4.61	16.77	21.53	1071.25		1943.59	
43	Conglomerates (131		1218.	.67 +0		10.20	4.33	11.27	16.27	1212.61	1190.79	1194.29	1368.83
45	Shipping and Tr	ansport ()	12)	1946.	18 -		11.08	4.59	11.97	29.61	1949.10		1925.02	2267.75
47							11.47	4.59	11.34	6.00	968.50	947.88	956.29	1214.51
48	Miscellaneous C	201		1133	92 +1		10.98	4.23	10.34	19.26	1181.69		1193.44	1518.24
19	INDUSTRIAL G					1.4	9.58	3.81	13.03	12.04	975.09	960.64	964.63	1293.21
51	Oil & Gas (13)						10.36	5.48	12.46	39.00	1865.01	1847.93	1071.18	2216.30
59	500 SHARE INC).3	9.69	4.84	12.95	14.34	1050.35	1035.63	1041.18	1289.11
61	FINANCIAL GR	OUP (122	2),,,,,,,,,	718.	83 -6	13	- 1	4.66	-	14.48	720.68	712.57	719.64	814.56
62	Banks (8)			689.	17 -1		20.93	5.99	6.41	18.93	689.75	676.69	. 680.71	853.43
65	Insurance (Life)	(8)		1859.	07 +1	J	- 1	4.74	- 1	24,97	1045.73		1072.44	1164.73
66	Insurance (Lifel Insurance (Comp Insurance (Brok	0051127 (7) 0 1 /7)	·	562.	70 4		9.55	5.26 6.31	13.54	13.82 26.67	561.63 1008.50	557.32	\$67.92	606.81
67 68	Merchant Bank	(111) (111)		371	33) #	17	7.33	3.74	25.34	3,54	373.87	978.63 372.27	981.91	1214.93
59	Property (511			1258.			4.75	2.56	26.96	11.21	1256.03	1238.20	377.00 1240.85	403.81 1244.28
7ó l	Other Financial	(30)		392.	15 -0		9.92	4.75	12.53	5.94	393.42	391.45	393.98	525.33
71	investment Trus	ts (80)		. 904.	27 +0	5	-	2.92	-	18.24	899.47	888.52	289.25	1072.50
81	Mining Finance	(2)		536.	88 +0		9.00	3.50	12.56	8.12	532.47	531.53	531.65	484.81
91	Overseas Traders	s (81		1136.	73 -0		10.23	4.92	11.49	27,23	1131.40	1122.00	1122.69	1054.11
99	ALL-SHARE IN	BEX (712) C	965.	71 +0	.2	-	4.10	-	14.09	963.35	958.57	955.97	1158.35
_				Inde	Day	s 0	lay's	Day's	Jun	مول	Jen	Jun	هال	Year
				No.	Cham		High	LOW	14	23	10	9	8	ago
П	FT-SE 100 SHA	RE INDE	X #	1869	13 13	ו וב	884.5	1867.3	1856.2	1838.8	1849.5	1841.5	1828.2	2320.4
•	FI	XED 1	INTER	REST			T		GE GRO			Wed Jun 15	Tue Jun 14	Year ago (approx.
			1 7				┪	0.44	Severame					
	PRICE	Wed	Oay's	Tue	xd adj.	xd ad 198		LOW	TOTAL SEC	st 5 years		8.76	8.78	7.89
	INDICES	Jun 15	change	Jun 14	today	to dat	īs i	2 Сицеон	5	13 years		9.08	9.09	8.65
_		 	 '- 				~! :	3		25 years		8.93	8.94	8.67
	British Gavernment							Medius Coupon		5 years 15 years		9.21 9.27	9.23	0.67 8.88
1	S years	122.89	+0.06		0.18	5.5	·-()	S Coupon		25 years		9.10	3.11	e.09
2	5-15 years	140.86	i +0.19 i	141.48	0.88	6.4	16) 3	fileh		Swars.	7	9.31	0.74	R 20

FIXED INTEREST					AVERAGE GROSS REDEMPTION YIELDS	Wed Jun 15	Tue Jun 14	Year ago (approx.)			
	PRICE INDICES	Wed Jun 15	Oay's change %	Tue Jun 14	xd adj. today	xd adj. 1988 to date	1 2	British Government Low S years Coupons 13 years	8.76 9.08 8.93	8.78 9.09 8.94	7.89 8.65 8.67
1	1	122.89		123.00			4 5	Medium 5 years	9.21 9.27 9.10	9.23 9.29 9.11	0.67 8.88 6.09
3	1	140.86 150.70 167.58	+0.11	141.48 150.53 167.18	-	6.46 6.67 6.31	رةِ ا	filgh 5 years	9.31 9.41 9.16	9.34 9.43 9.16	8.88 9.02 8.84
5	All stocks	137.55	+0.14	137.89	\Box	6.19	11	Irredeemables	8.98 2.64	9.00 2.68 3.81	2.50
6 7 a	Over 5 years	128.13 121.34 121.72	+0.12	127.95 121.19 121.57	l - I	0.51 1.46 1.37	12	inflation rate 5% Over 5 yrs . Inflation rate 10% 5 yrs . Inflation rate 10% Over 5 yrs .	3.80 1.72 3.65	3.81 1.76 3.65	3.70 2.13 3.70
$\overline{}$	Deburtures & Laures	\vdash		119.45		5.88		Delts & 5 years Least 15 years 25 years	10.22 10.53 10.55	10.24 10.59 10.62	9.76 9.93 10.00
				93.65	{ !	9.22	18	Preference	9.56	9.57	10.11
40	40penlog index 1873.1; 10 am 1877.9; 11 am 1881.7; Noon 1877.0; 1 pm 1875.1; 2 pm 1875.6; 3 pm 1873.0; 3.30 pm 1872.5; 4 pm 1871.0										

bearish stance and not management incapability".

Trusts maintained their marginal improvement of late, with London & American Venture standing out with a 2½ rise to 55p after dealers picked up "good vibes" from the morning's agm. Keystone Investment closed 5 better at 285p and Alliance Trust 4 up at 314p.

Overseas Traders highlighted Inchcape which, say dealers, continues to be a good huy, and it broke the 200 mark during the day to end up 3 at 202p on a turnover of 1.7m.

It was another active day on

turnover of 1.7m.

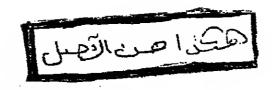
It was another active day on the Traded Options market, with hectic morning trading and good volumes, especially in FTSE stocks. Overall, 39,099 calls and 10,739 puts were traded totalling 49,838 contracts, making it the projects businest day since 5 49,838 contracts, making it the market's busiest day since 5 Novamber last year. Star performers were Hanson, with 2,938 calls and 280 puts, British Gas with 1,722 calls and 1,413 puts, Trusthouse Forte, with 3,641 calls, and British Tyre with 1,990 calls and 83 puts.

Traditional Options • First dealings June 13

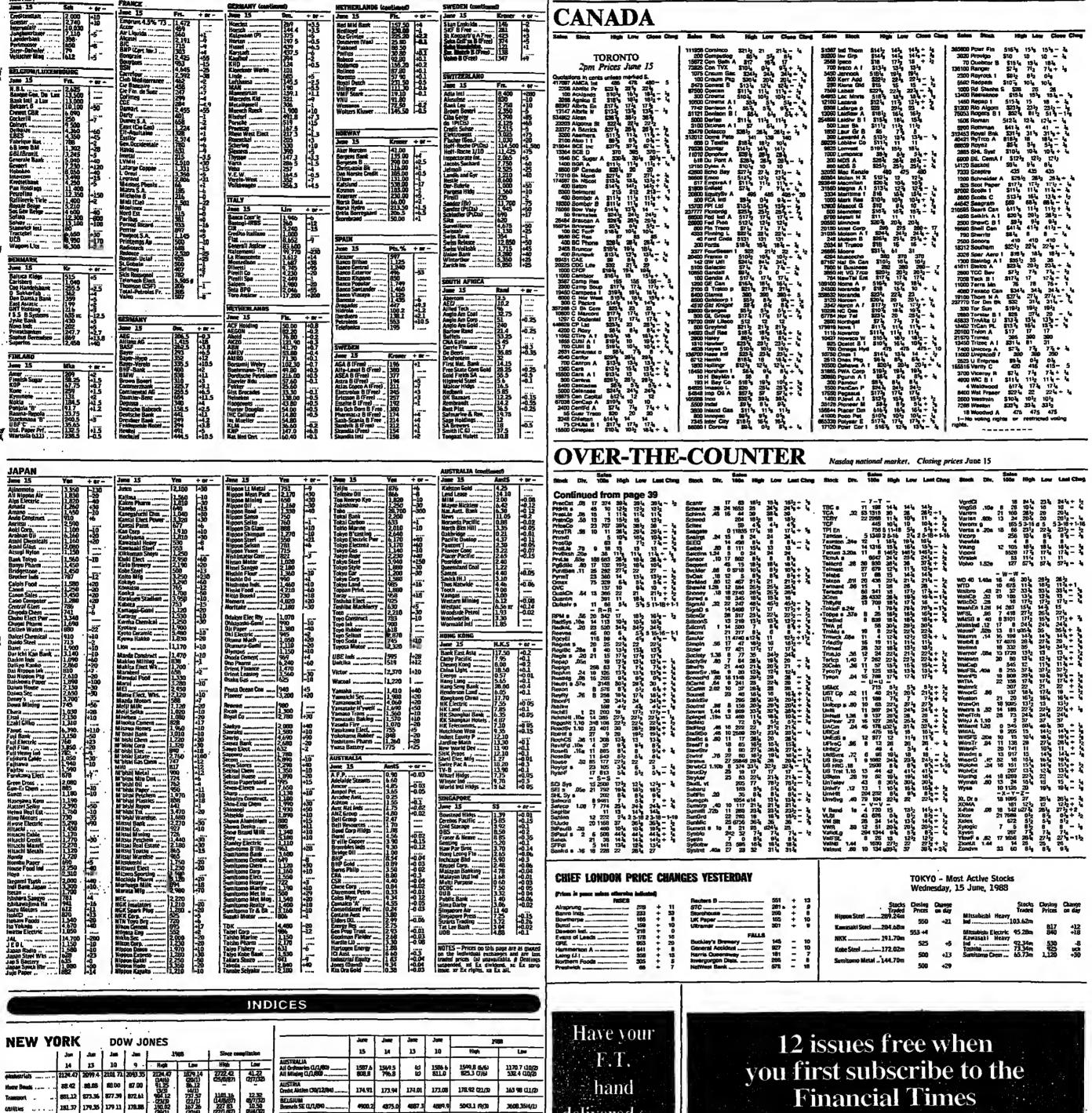
 Last dealings June 24
 Last declarations Sept 15 • For Settlement Sept 25
For rate indications see end of
London Share Service Dealers reported a brisk trade in the Traditionla option market. Stocks favoured for the call

Stocks favoured for the call included T. Cowie, Rex Williams, Astra Holdings, Bryant Holdings, Bristol Channel, Singer and Friedlander, Eagle Trust, Regalian Properties, Cadbury Schweppes, Camford Engineering, Greenwich Resources and Pantiaged Industries Date was Pentland Industries. Puts were arranged in S. Miller and Helical Bar, while double options were transacted in Boots and Bryant

13



WORLD STOCK MARKETS



2124.40 0.4(6) 91.25 904.12 023/3 190.02 029/1) DENMARK Copenhagen SE (3/1/83) 218.82 (15/6) 218.35 4.40 0.16520 22.16520 8.64 0.100749 4.46 25.44420 25.31 19.12.1720 54.87 (31.100772 723.6 05/61 7126 353 6 (15/6) 131.1 (15/6) 24.47 24.34 187.99 C5-8187) 365.01 03/8/87) 455.28 C6/8/87) GERMANY FAZ Alsien (31/12/58) Commerciant (1/12/53) 309.33 308.62 2599.58 (15)6) Jun 3 Nay 20 3.58 3.68 year ago (approx.) 2 83 Jun 1 3.64 14.33 year ago (approx.) 2.52 23.17 23217.04 (4/1) 1690.44 (4/1) NEW YORK Jun 1,4 Jun 13 254.0 255 2 209.3 1,989 1,091 432 466 32 6 1,946 769 696 481 42 10 412.04 (11.44 155.710 11.660 145.324 SINGAPORE Suraits Times and, CR0/12/66 CANADA ,100 10) files SPAIN Madrid SE (30/12/85) 301.63 (15/6) SWEDEN Jacobson & P. (31/12/56)

SWITZERLAND Swips Bank Ind. (31/12/58) .

532.7

529.3

463.7

NEW YORK ACTIVE STOCKS

Closing price 50% 33% 83% 46% 55% Closing price 43%, 1185, 25%, 24%, 51%

\$ Subject to official recalculation	
Baca values of all implies are 1.00 except Brussels SE = 1,000 JSE Gold = 255,7 JS and Australia. All Ordinary and Mining = 500; tc) Closed. (a) Unavailable.	E industrials-26

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120.68 (4/1)

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423.91 (9/2)

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327.78 (28/1)

833.604/1) 1154.0 (4/5) 1387.0 (12/2)

235.50 (4/1)

2148.5 (4/1)

466.6 (13/1)

401.0 (21/1)

539.5 (18/3)

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AMERICA

Dow rises slightly despite emergence of profit-takers

Wall Street

EQUITIES managed a small gain in subdued husiness yesterday as the market consolidated its position after Tuesday's gains and profits were taken, writes Janet

Bush in New York.

The Dow Jones Industrial Average closed 6.93 points higher at 2.131.40, the highest close since the October stock market crash. Volume was modest with only 150m shares traded compared with more than 200m shares on

US Tressury honds moved modestly lower in a reaction to gains of 2 full points on Tuesday in a positive response to news of a much lower than expected US trade deficit in March. In late trading, the benchmark long bond was quoted % point lower

to yield 8.825 per cent.
Two important economic releases yesterday had little impact on financial markets.

Industrial production rose a seasonally sdjusted 0.4 per cent in May compared with s revised increase of 0.6 per cent in April's gain was originally

April's gain was originally reported as 0.7 per cent. Retail sales rose by u. 1 per cent in May. The fall in Msy was revised to 0.4 per cent from 0.6 saw prices end mixed, with support for some gold shares from a bullion price and a Both equity and bond markets have made substantial progress in the last fortnight, reversing some of the sharp losses incurred last month as markets were in the grip of inflation fears and

were witnessing a tightening of

e fears were then thought to have been exaggerated and the markets have now rebounded to levels which many helieve are more in line with economic fun-

However, economic growth remains very healthy, which leaves economists looking for growth in the second quarter of perhaps 3 per cent to 3.5 per cent. Commodity prices have been putting significant upward pressure on food prices, which remain a concern.

Increasingly, the prospect of November's presidential elections will begin to weigh on investors' nerves at s time when genuine interest in investing in either bonds or equities seems sporadic. Both equities and bonds are likely to enter a phase of consoli-dation now, with further gains, more difficult after recent strong

SOUTH AFRICA

steady bullion price and a weaker financial rand. Vaal Reefs rose B3 to R266, but Randfontein shed R2.50 to R256.

Elsewhere, De Beers was np 35 cents at R35.85 and Anglo American rose 25 cents to R51.

The yield on the Treasury's long bond fell from 9.33 per cent

offer. providing for a \$2.50 a share dividend for Irving share holders and adding rights which would entitle bolders to as much as \$2.500 a share from proceeds of the proposed sale of Irving's headquarters.

Bay Financial fell \$1/4 to \$1874.

Pennant Properties of Britain said it had entered into an agreement with Bay in an effort to negotiate a friendly takeover.

Between May 27, the Friday Pennant has proposed \$16 a share for the shares it does not already weekend, and Tuesday's close the Dow gained 163.03 points, taking

Canada

ing left share prices on the Toronto Stock Exchange slightly

The composite index, which slightly below their best, writes had slipped about 2 points in ear-lier trading, firmed 3.75 to 3,399.9 Volumes in many centres fell

ASIA

Turnover swells as Nikkei marches on to record high

TURNOVER soared in Tokyo yesterday in the wake of Wall Street's advance following the improved US trade figures, and the Nikkel average rose to a record high, writes Shigeo Nishivali of Jiji Press.

Buying centred on steels, high-technology stocks and non-ferrous metals. But the rapidity of the advance worried investors that the Tokyo Stock Exchange

that the Tokyo Stock Exchange might take measures to prevent overheating, and prices lost steam toward the close.

The Nikkei market indicator rose 31.72 to close at 28,093.52, overtaking the previous record of 28,072.02 registered on June 9. It began the day at a low of 28,081.76 and soon reached a high of 28,294.06, before falling back. Volume swelled from Tuesday's 930m shares to 2.49hn. Gains led losses by 513 to 363.

Individual Investors, business corporations and dealers bought heavily, encouraged by the rise of the Dow Jones Industrial Average to a post-crash high. Institu-

tions, however, were wary. Heavy huying pushed up large-capitalisation steel stocks - particularly five major blast furnace steelmakers, which occupied the top five slots on the active list. Trading in the 10 most active issues accounted for 57.4

per cent of) ransactions. Stecis had begun to attract demand when they fell below Y400. as investors noticed improving business performance and redcvclopmen) projects. Yes-terday's trading in the stocks, however, was mainly due to spec-

NATIONAL AND PERIONAL MARKETS

Norld Ex. So. Af. (2403) Norld Ex. Japan (2007)

Australia (88) Austria (16) ... Belgium (63) ... Canada (125)

U5 Oollar (ndex

143.71 86 65 122.33 125 61 131.65 139.11 97.73 77.89 108.50 139.31 69.76 174.35

130.57 162.06 123.33 \$1.00 138.76 111.69

132.39 112.25

132.38

Oay's Change

+1.9
+0.12
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+0.3 +0.5 +0.1 +0.3 +1.6 +0.4 +0.4 +0.4

+0.3

it-taking pressure.

Investors sought non-ferrous metals on rising prices of alumin-ium. Mitsui Mining and Smelting added Y25 to Y660 and Nippon

Mining Y30 to Y650.

Bond prices opened firmer, following the improvement in the US trade balance, but dealers grew anxious as long-term investors failed to increase their buying. The market was also affected by the Bank of Japan's tolerating rise in bill discount rates and the dollar's gain to above Y126. The yield on the benchmark 5.0

per cent government bond due in December 1997 plunged to 4.590 per cent but rose later and fin-ished unchanged from the previous day at 4.660 per cent in TSE block trading.

A wide variety of issues was purchased on the Osaka Securities Exchange and the stock average hit a new high of 28,015.68, up 161.84. Trading increased by 92m shares to 194m.

Life Stores rallied Y130 to Y2.590 and Toa Wool Spinning rose Y70 to Y1.600.

Australia

STRONG performances on Wall' Street and in London helped to lift the market out of its recently

119.26 77.91 101.52 104.24 109.25 81 11 64.64 90.04 115.61 57.89 124.69 120.15 89.12 68.90 105.25 101.41 108.35 134.49 102.34 67.22 115.16 92.69

91.20 141.52 121.40 93.30 76.34 103.34 120.69 109.36 109.87 93.15

109.86

FT – ACTUARIES WORLD INDICES

Currency Index

70 98 108,75 128,47 67,78 139,09 143,83 425,37 96,49 62,72 109,48 114,09 86,16 142,05 111,00 73,62 115,16 111,69

117.21

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

kers registered all-time highs, reaching Y500 or higher. Nippon were marked higher. Optimism below the 1988 high of 476.37 Steel briefly soared Y31 to Y560 on the day's heaviest trading of raise domestic interest rates also The best performers were the encouraged investors.
The All Ordinaries index rose

18.1 to 1.587.6. Turnover was BMW, which gained DM11 to 117m shares worth A\$183.9m. DM538. Siemens closed up DM5 at Renewed institutional demand DM390 after reaching DM392.90. 117m shares worth A\$183.9m. Renewed institutional demand sustained the rally, and return- and Deutsche Bank was DM11

Hong Kong

HECTIC trading on opening cata-pulted the Hang Seng index to around 2,720 as the market reacted to the US trade figures. At midday the index was up nearly 30 points, before afternoon profit-taking pegged the advance to just beneath the psychologically important level of 2,700. The index closed at 2,699.58, up 26.88, on bealthy HK\$1.89bn turnover. Property company Cheung Kong was the most active stock, with HK\$136m worth of shares

changing hands as the price rose 20 cents to HK\$8. Wormald Pacific announced a 5 cent dividend and one-for-fonr

bonus issue, but after rising 8 cents to a high of HK\$1.62, it ended only 1 cent up at HK\$1.55.

Singapore

THE MARKET opened in bullish mood, encouraged by US April trade figures. The Straits Times industrial index rose 18.45 to 1,063.75 - its highest level since the October crash. Turnover was buoyant 60m shares

Singapore-based blue chip com-anies led the way. Among the best performers, Fraser and climbed 35 cents to S\$8.85

TUESDAY JUNE 14 1988

104.15 109.01 115.89 80.88 64.03 89.28 115.01 57.98 144.10 118.98 108.29 99.26 109.21 135.15 101.35 66.84 114.90 92.67

90.98 140.86 120.92 93.28 76.15 101.85 120.24 109.07 109.57 93.01

95.76 136.42 120.24 111.54 83.79 108.62 119.69 117.06 117.07 105.75

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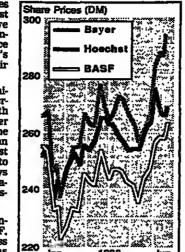
Andrew Fisher examines the mix of factors behind one sector's recent revival

Germany experiences a chemical reaction

WEST GERMAN chemical shares have put on a spurt over the past few weeks as investors have woken up to the companies' continued solid profit performance and the way that this year's weaker D-Mark has helped their

In the past four weeks, chemical stocks have slightly outper-formed the overall market with In the equity market, one of yesterday's largest movers was Irving Bank which surged \$3% to \$70% on news that Bank of New York had sweetened its cash and stock takeover offer in the latest move in an apparently unending battle for control of Irving.

Bank of New York, which saw its stock fall \$% to \$33, bas boosted the stock portion of its offer. providing for a \$2.50 a share dividend for Irving share holders and adding rights which would entitle bolders to as much



Heiber.
Specialised companies such as
Henkel and Schering – the latter's shares have more than doubled from this year's low - are benefiting even more from the

mated the size of the deal, in which its insurance activities

The chemical sector performed strongly with a rise of 6.66 points.

Aragonesas rose by 49 percentage

points to 634 per cent of nominal market value, while Petroleos put

MILAN reached the end of

per cent to 996. Interest focused

recent firm trend.

on 10.5 points to 553.

445 from 414.5.

"This has stopped the erosion of their competitiveness and improved their export position in Europe," says Ms Penny Swales, European chemicals analyst with Barclays de Zoete Wedd in Lord Barclays de Zoete Wedd in Lon-don. 'It also helps the translation (into D-Marks) of their US reve-

The Commerzbank index of the three major chemical stocks shows an overall 6 per cent gain since the end of last year compared with a near 10 per cent with an end-1987 level of decline during January. The DM263.80 and a 1988 low of bank's index of other chemical shares — including Schering, DM263.80 and a 1988 low of the shares — including Schering, DM263.50, against DM255.50 at Henkel and five more — shows a the end of 1987 and s 1988 low of 16 per cent rise to date, following an 8 per cent drop at the end of DM235 to DM269, against DM250 at the end of last year and a low will change." The Commerzbank index of the

which keeps down raw material costs, they have mads further gains this year from the depreciation of the D-Mark against the dollar and from the steadiness of the US currency in Furme.

All the chemical companies are still well below their peaks reached before last October's crash, which stunned the German market for longer than

strength of world demand as economic growth proves sturdier than expected.

While the big three companies partly benefit from a weak dollar, which keeps down raw material costs, they have mads further gains this year from the depreciation of the D-Mark against the dollar and from the steadines of the dollar and from the steadines of the state of the stat ceptive, Femovan, and new product launches are expected in other areas. Yesterday the company reported that group sales had risen by 12 per cent in the first five months of the year.

With higher dividend yields and lower price-earnings ratios than the average market levels, the hig German chemical stocks could well remain a favourite with investors this year. Gener-

Computer company HCS was suspended at Fl 10 pending its

annual meeting due today. Share-bolders lost a court case yester-dsy through which they had

sought to force the company to

provide more information on the acquisition of two smaller com-

BRUSSELS traded broadly higher and the stock index rose

25.20 points to 4,900.20. A genera shortage of stock helped prices in

quiet trading. Supermarket retailer GB-Inno.

closed BFr28 better at BFr1,302 on turnover of 45,000 shares. Steelmakers Cockerill and

Arbed both rose by BFr5 to BFr250 and BFr1.995 respectively.

STOCKHOLM advanced with a

little less vigour than expected following the US trade figures. Blue chips recorded the best gains and turnover was a moder-

EUROPE

Sellers trim gains after confident opening predicted a 40 per cent rise in profits, gained Fl 6.80 to Fl 147.

THE BETTER US trade figures with Royal Insurance of the UK A LACKLUSTRE session of deal- and the rise in the dollar gave an impetus to prices in Europe yes-terday, but profit-takers moved in at higher levels to leave shares

as declines outnumbered back as institutional investors advances by 380 to 376 on a moderate turnover of 24.2m shares.

FRANKFURT set off strongly in early trading, with prices ris-ing between two and three per cent, following the gains over-night in New York and Tokyo and the sharp advance by the dol-

But support weakened later. "People are looking to take profits at a higher level. Essentially it's a trading market," one analyst commented. The FAZ index

The best performers were the most liquid stocks such as Daim-ler, up DM11.50 at DM654, and ing confidence helped banks, higher at DM441. Allianz was media and food stocks. another strong performer, up

DM18 at DM1,415. Chemicals did well, and phar-maceutical Schering gained DM10 to DM530. Feldmühle Nobel, the diversified paper maker, man-aged a DM3.80 rise to DM294 after its DM13.30 setback on Tuesday. Bonds ended up but off their best levels in thin trading after a strong advance on Tuesday. The yield on the 6% per cent 1998 federal bond fell to 6.49 per cent

from 6.51 per cent.
PARIS also had a good start,
following through from a strong
aftermarket on Tuesday, but prices came off to end slightly lower following Wall Street's uninspiring opening.

Volumes were estimated to have fallen to under FFr1.5bn and the EFX 50 index finished off 0.45 at 349.52 after rising to 352.92 during the day. The CAC General index, based on opening prices and reflecting the previous day's trade, reached 353.6, up 7.1, its highest level since the October

crash. Valeo, the car components group, finished FFr8 lower at FFr507 after rising to FFr539 in the wake of its strong profits figures on Tuesday. Cie dn Midi, the possible target of Generali of Italy, fell FFr22 to FFr1,501 after reaching FFr1,520.

Groupe Victoire added FFr5 to FFr560 after a newspaper report

122.29 155.28 142.12 124.94 103.16 130.47 141.78

London

now depended only on an official go-ahead from the French suthor-ities. Victoire has apparently esti-TURNOVER jumped to over after leading the market higher 550m shares as the FT-SE 100 in early trading.
Index recorded a 3.1 point rise to 1,869.3. Selective institutional and Wellcome rose on strong would be transerred to Royal in demand saw blua chips falter buying interest.

return for s 30 per cent stake in the enlarged group, at FFr22bn. MADRID reached a new year's on specific issues and dealers 7 to 861.8 in Improved turnover reported reasonable volume. high in response to Tuesday's US trade figures, and the general index closed at 301.63, a gain of 1.93 points. Bullish market senti-ment was dampened only by Montedison continued to rise, stocks and banks, putting on L38 to close at L1,687
before reaching L1,699 in after
bours trading on foreign and
domestic buying. Stakehuilding
speculation was rife, but a stock
shortage was partly responsible
in the increase in price. selective profit-taking. Tuesday's volume figures revealed turnover at Ptal8.7bn, continuing the

shortage was partly responsible for the increase in price.

Acqua Marcia, the Romagnoli family holding company, rocketed amid mounting speculation over the sale of associate company Cogefar. The shares ended £106 better at L477, a near-29 per cent gain in a thin market.

Sina, Fiat's defence and chemicals subsidiary, rose L55 to L2,046

A more lively session had been an tichnical considerations. The

Catalan-based paper company Sarrio was strong on speculative buying and the shares climbed to cals subsidiary, rose L55 to L2,046 A more lively session dad of the considerations. The anticipated after Tuesday's US shares were also helped by government defence contract bopes.

ZURICH was boosted by a rising dollar and the US trade figures and the all-share index rose

A more lively session dad of the SKr328m.

SE Banken, valued deficit announcement.

The weighted ANP-CBS general index, calculated at midsestory to SKr146. Atlast day's best per SKr7 to SKr211. account and technical trading pushed the MIB index up by 0.50

Demand centred on chemical

ate SKr328m. S-E Banken, which announced lower-than-expected four-month results on Tuesday, slipped SKr2 to SKr146. Atlas Copco, one of the day's best performers, added

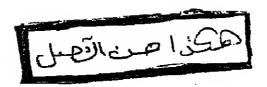
"All airlines say <u>goodbye</u> at the end of a flight." "Then KEM ground staff say <u>hello</u>."

KLM serves 132 destinations world-wide. And at every single one you will find KLM's own ground staff. To offer help and assistance. And a friendly smile.

Even in those places you least expect it.

Anywhere in the world. Test us, try us, fly us. The Reliable Airline KL

Base values' Dec 31, 1986 a 100, Fusiand Dec 33, 1987 a 115 037 (US 5 Index) 90 791 (I Copyright, The Fisancial Times, Goldman, Sachs & Co., Wood Mackenzle & Co. Ltd 1987



Financial Times Thursday June 16 1988

SECTION IV

FINANCIAL TIMES



The repercussions of the Palme affair, which has recently led to a Minister's resignation, are still uncertain. But

Sweden is having to reassess its place in the world in the light of the European Community's drive to a free internal market by 1992, writes

Robert Taylor, Nordic Correspondent

Coming out of the cold

SWEDEN, for most of this century isolated from the main-stream of European history, is Sweden's long-term commitment stream of European history, is having to confront a potentially threatening new reality.

126

Its business leaders and now a growing number of its politicians have begun to recognise that their affluent, stable country cannot continue to enjoy the fruits of a highly successful, open economy for much longer if it stands Kohl of West Germany that Swe-

tect its own living standards; it years.
goes far beyond economics. There is an impressive consensionly and painfully, the country sus, at least among Sweden's

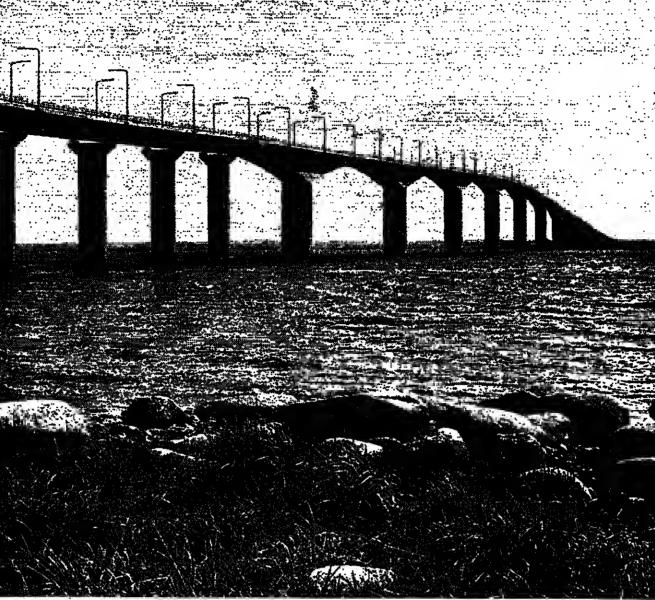
to political neutrality in interna-tional politics makes it impossible for the country to consider any, formal integration into the European Community.

omy for much longer if it stains aloof from the rest of the Continent and in particular the European Community's drive to a committing itself to far-reaching internal reforms that will transof 1992.

This is not merely a question of Sweden's natural need to prothe EC itself over the next four

is having to reassess its own business community that the place in the world. Over the past country needs to become much few months the pages of Swe more European if it is to go on den's national newspapers have thriving in the future. In fact, been filled with lengthy articles on the pros and cons of having a closer relationship with the EC.

The relations with the EC are the relations with the EC are the top. At this stage there can be no of the political agenda has come question of an outright Swedish from outward-looking antrepreapplication for full membership neurs like Mr Pehr Gyllenhamstatus, even if Brussels was eager mar (chairman of Volvo), Mr the suggestion that Sweden to receive one, which it is not. As Peter Wallenberg from the counshould draw ever closer to the Mr Ingvar Carlsson, the Prime try's leading industrial family EC.



and Mrs Antonia Axson Johnson, who heads the Axel Johnson Characteristically, the Govern-

ment decided two months ago to defuse possible controversy overthe issue by establishing an advisory committee of prominent industrialists, bankers and union leaders to examine the likely problems of Sweden's future rela-tions with the EC. Thus it seems unlikely that the European question will dominate the Swedish general election on September 18. None of the politi-

cal parties at this stage, not even the Moderates (the country's con-servative party), seems willing to appear unequivocally enthusiastic in favour of outright EC mem-bership for Sweden. On the other hand, only the Communists voiced outright hostility in a recent debate in Parliament to the suggestion that Sweden Any move towards harmonisa- mitment to government moves tion with the countries of west- along the EC road will under-ern Europe will inevitably chip mine the achievements of Social

With its usual curious blend of away at the "cradle to grave morality and self-interest, Swe- welfare state and the collectivist den is already taking an openly ideas that have helped to ensure pragmatic view of its future rela- Sweden's undoubted success as tions with western Europe. For an overwhelmingly privatelymany industrialists a commit-ment to closer ties with the EC strong measure of equality, based goes much further than an on high rates of personal taxation understandable desire to expand and often intrusive forms of their own business activities in social control that conflict with the wider market through the those Swedes who hanker for a already well-proven strategy of more loose-limbed individualism. mergers and amalgamations. It also derives from the often Swedish labour movement has unspoken wish to see a gradual not adopted a clear-cut attitude change in the basic assumptions to the European question but

that have governed Sweden for there are already some on the left most of the post-war period. who fear that any uncritical com-

Democracy. In particular, there is concern that as Sweden becomes more European it will dilute its helief in the idea of "full" Mr Carlsson and his Cabinet

colleagues have a passionate con-cern to make sure their country's jobless remain few in number (at the moment only 1.8 per cent of Sweden's workers are unem-ployed, compared with an average of 8 per cent in the rest of the OECD). Indeed, the Prime Minister never loses an opportunity to emphasise the success of his country in keeping down unem-ployment to acceptable levels. It-was one of the points on which with Margaret Thatcher when he met her at 10 Downing Street for the first time last month.

Many parts of Swedish indus-try are suffering from acute labour shortages at the moment

CONTENTS

Politics: Palms affair gives non-Socialists a chance Kjeli-Olof Feldt: acceptable face of

KEY FACTS

Population	
Area	173.600 sq miles
GNP (per capita)	\$15,650
GDP	
Trade	****
Exports	SKr281,45a
Imports	Skr257.4ba
Current account balance	SKr5.2br
Structure of merchandise exports	
Primary commodities	\$4 24hm
Limital countonings and this this in the second	24 504
Oil and gas	
Manufactured products	
Structure of merchandise imports	
Manufactured products	\$77.5bs
Oil and gas	\$3.48br
Primary commodities	\$3 Qhr
Debt service as a percentage of GDP	1.1 E ner cent
Average annual growth rate	
Average appual rate of inflation	5.5 ber cent

is no reason to suppose closer relations with the EC would somahow contaminate Sweden with the virus of mass unemployment. On the contrary, it might the world. provide a necessary leavening of the labour market, which is in danger of being overwhelmed by its own success.

However, nnderlying reservations about Sweden's identity as 350th anniversary of the first a purely western European country remain just below the surface and they take many forms. Some more sober Swedes, for example, worry that links with the EC might compel them to reduce the luted country; profitable compa-present extortionate cost of alco-nies with household names; brilhol and this could lead to an upsurge of drunkenness with all people who tend to live longer its attendant evils. The strength of the temperance cause should never be under-estimated in Swe-

members are teetotallers. Stockholm is growing far more cosmopolitan in its tastes com-pared with 10 years ago. Yet the anti-drink lobby may be expected and self-righteous about its own to put up fierce resistance to any liberalisation of the present tough official attitudes to alcohol, were that necessitated by a commitment to moving in the EC's direction.

There is also a more fundamenand the active encouragement of tal tension inside Swedish society skilled workers to emigrate in that will ensure a good deal of

search of work to Sweden would internal agonising about the EC help rather than wreck the future over the next few years. With prosperity of the country. There considerable justification, many Swedes have a high regard for their country's relative success over the past 50 years in becoming one of the most affluent in

It is true that some worry about what they see as the hos-tile image of Sweden abroad, particularly in the United States. In the year that commemorates the Swedes to the shores of the New World in Delaware, an organisa-tion has even been launched to sell Sweden to the doubters as a land of plenty; beautiful, unpolliant tennis players; and bealthy than most of the rest of the human race,

President Eisenhower's gibe of den. Even parliament is not 30 years ago that Sweden was immune: about a third of its dominated by "sin, suicide and socialism" was ill-informed even Thus, even in the hig cities, at the time. But the image stuck there are few lively bars, though and it will take a good deal of glossy public relations to destroy

the mythology. Sweden remains rather smug virtues, often to the irritation of other western democracies. The baffling and still unsolved assassination of Prime Minister Olof Palme 21/4 years ago upset the complacent idyll and it has done something to undermine the faith that most Swedes have for those



In 20 years time, when our young pilot will be flying for real, ill have increased the security against fatigue in our bearings several times over

What will bearings look like when he's a real pilot? magine the year 2010.

Advances in aerospace engineering will have transformed commercial aircraft in many ways. Yet then as now, bearings will still be a critical component in aircraft safety.

It might be a miniature bearing in a navigational instrument. Or the bearings in jet engines, rotating at speeds of 800 revs/second, in temperatures of up to 500°C.

So what difference will there be? After all, how much more is there to learn about bearings? You'd be surprised. During the last twenty years we've increased the safety margins against fatigue several times over. And we expect to do the same again in the next twenty years.

Of course, aircraft bearings are already so safe that our development efforts are mainly aimed at yielding opportunities to decrease the weight and dimensions of machines. And enable purer designs.

So, by the time this little chap makes his maiden flight, the aircraft engine may well, like our bearings, be very different.

SKF employs some 45,000 people from 130 different nations. Manufacturing takes place at 80 factories in 17 countries.

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grinding machines, linear motion products, textile machinery components, aerospace components, fasteners and other mass-produced precision products.

In every one of these areas, SKF has a leading position.

Robert Taylor looks at how the political situation has changed in the past fortnight

Palme affair gives non-Socialists a chance

SWEDEN'S VOTERS go to the polls on September 18 in their country's general election and at this stage there must be a serious doubt about who is going to win after the latest political revela-tions about the Olof Palme murder inquiry and the resignation of the country's Minister of Justice. Up until a fortnight ago, most observers believed that the Social Democrats would have little difficulty in securing yet another wictory though perhaps another victory, though perhaps

by only a narrow margin.

Under the pragmatic, low-key leadership of Mr Ingvar Carlsson, it remains the overwhelmingly inant political power in Sweden, but recent events bave placed a very serious question over the party's competence to

The three main opposition non-Socialist party leaders believe they have an unexpected opportunity to seize the initiative and focus public attention on what they regard as an abuse of governmental power over the Palme affair. If the so-called bourgeois parties can also overcome their genuine policy differences and present themselves as a credible alternative coalition government they must stand a good chance of victory in the autumn. However, the capacity of the Social Democrats to stage a swift political recovery must not be under-estimated. Their electoral performance bas been quite remarkable in modern times. Ever since 1932, except for a brief six-year period between 1976 and 1982, they have held uninter-rupted office, usually in alliance with a smaller party. No other democratic party in the world has achieved such a record. Next

brate at their 100th anniversary, though the ghost of Olof Palme may turn out to be a spectre at the feast.
A fundamental reason for the continuing hegemony of Swedish social democracy lies in its unity. In the other Nordic countries, where the labour movement has been historically influential, the Socialist parties have endured damaging divisions and fragmentation over recent years. But in Sweden, despite the temptations provided by a proportional representation system of voting, the Social Democrats have held

year they will have much to cele-

It is true that the government has been huffeted by a seemingly endless series of scandals over



STATE	OF THE POLIT	ICAL PARTIES	•
	September 1985	February 1988	May 1988
Social Democrats	44.9 (159)	41.5	42.0
Modarates	21.4 (76)	18.5	25.5
Liberals	14.3 (51)	15.5	15.6
Centre	12.5 (44)	11.5	12.0
Communists	5.4 (19)	3.5	4.0
Greens	-	9.0	5.0

the past year, which have often cast doubt on the wisdom of some of its decisions. The previous Minister of Justice was also forced to resign last autumn after the farcical escape of Sweden's top spy during home leave from prison. But at least the public authorities, who used to feel secure in their posts whataver they did, have gained a greater

So far, the public's readiness to express good feelings towards the Social Democrats does not seem to have been much affected. But the latest revelations in the Palme affair, with the resignation of Mrs Anna-Greta Leijon, the Justice Minister, last week, could

Democrats	44.9 (159)	41.5	42.0
ates	21.4 (76)	18.5	25.5
s	14.3 (51)	15.5	15.6
	12.5 (44)	11.5	12.0
unists	5.4 (19)	. 3.5	4.0
		9.0	5.0
pres: Last gener	ral election percentage	a and (in brackets) :	rest allocation in Swedish

state health service and defending democratic rights. The Social Democrats are also going to argue that the welfare state would be threatened if they lost office - a fear they invoke three years ago and which helped them to stay in power by inflict-ing a severe defeat on Sweden's

main right-wing party, who are called the Moderates. Mr Carlsson may lack the charisma of Olof Palme, his predecessor, but as party leader he has displayed undonbted ability in holding the party together. He does not arouse the divided passions that Palme could do among the Swedish people. It is true that he hardly cuts a dynamic figure

tion of Mrs Leijon have put Mr Carlsson's style of government under serious scrutiny and this may rebound against the Social Democrats in the autumn cam-paign, particularly as it brings his competence and integrity into

At the moment the government enjoys a working majority in Par-llament because of the co-opera-tion of the Communists but in recent opinion surveys their tiny but usually reliable allies have been polling less than the 4 per cent of votes they require under in Parliament.

Earlier this year the newly emerging Green party appeared to have made serious inroads into public opinion. Up to 9 per cent of people were expressing support for the Greens in poll surveys. If such sympathy was to be translated into votes in September, the Greens would gain entry into Parliament for the first time and probably as a result become a pivotal political force, where no party would enjoy any-thing like a workable majority.

Such a prospect worries many observers, particularly the Social Democrats. The party has been making a strenuous effort to con-vince those who might sympathise with the Greens that it has their ecological interests at heart as well. Yet there can be no doubt that Mr Carlsson and his colleagues would not relish the prospect of forming a govern-ment dependent for its survival on tha capricions feelings of Green members of Parliament.

A recent opinion poll, however, has indicated that Green support is much softer than that enjoyed by the other parties and only one-third of their anpporters would actually vote for them in a general election. The fear of electoral instability can still concen-trate Swedish minds when it comes to the crunch on polling day, and there are already signs that support for the Greens is waning fast so they may fail to break through the all-important 4 per cent barrier.

However, the Social Democrats may not necessarily turn out to be the ultimate beneficiaries of Justice Minister, last week, could be hardly cuts a dynamic figure for the party's prospects.

For its part, the party is precampaign around the theme of creating a "more just Sweden." It can be expected to give a high priority to environmental questions, creating a more efficient surrounding last week's resignating to be the ultimate beneficiaries of the ultimate beneficiaries of the ultimate beneficiaries of the waning of the Greens. At the moment the non-Socialist block, made up of the Moderates, the Liberals and the Centre party, are together polling around 47 per cent of public support, neck and neck with the governing party, and they can be expected



Bengt Westerberg, the Liberal contender for the premiership and (right) Carl Blidt, leader of the Moderates

to use the Paime scandal to suggest that the Social Democrats have shown a contempt for the rule of law, bringing democratic govarnment into pohlic disre-

It is the 45-year-old Mr Bengt Westerberg, leader of the Liber-als, who will be the real contender for the premiership in the event of the election of a non-Socialist coalition government. A dynamic, televisual figure, he was the unexpected star of the 1985 general election, hut his party is now just behind the Mod-erates in public esteem, accord-ing to the opinion polls.

There is little doubt that the Social Democrats would much prefer to concentrate their campaign fire on Mr Carl Bildt, the 39-year-old leader of the Moder-ates. In a recent television debate what looked like a contest for the family, offering voters a their relative position among the non-Socialist opposition and this

However, the small Centre arty, led by Mr Olaf Johansson, is also a vital component of the so-called bourgeois bloc and it tends to take a more middle of the road position, making it more difficult for the opposition to adopt a clear-cut programme radically different from that of the Social Democrats.

among the electorate.

: Many observers onestion whether the so-called bourgeois parties can really hold together and provide an alternative to tha Social Democrats. It is true that they have recently found common ground in designing a policy in the election

between experience and preco-child care allowance for families clousness, but the Moderates with young children in preferhave staged a modest recovery in ence to the Social Democratic proposal of municipal child care

> But on many important issues, notably nuclear energy, defence and taxation, they remain divided as they were when they held office together six years ago. Moreover, they are intense elec-toral rivals, fighting against each other in order to strengthen their own bargaining hand in any divi-sion of the spoils if they were to

However, they do appear to be nnited on the need to give Swedes a greater freedom of choice in areas like health care and education and this could provide them with a strong platform

By the time Sweden's election campaign starts in earnest early in August, as the country return from its summer boliday, the present uncertainties may well have disappeared. Swedes dislike instability and hanker for harmony. Many have bed memories of the public conflicts in government ment during the six years of non-Socialist rule that ended in not want to take the risk of any similar lack of decisiveness.

This feeling could turn out to be Mr Carlsson's trump card, so he can be expected to play it for all it is worth in September. But tha Social Democrats may discover that this is no longer enough to convince the voters to back them. The Palme affair could well cost the party the elec-tion and plunge Sweden into an

INVESTMENT AB BAHCO

12 engineering companies and marketable securities worth SEK 1.3 billion.

Higher earnings for sixth consecutive year

Bahco Group earnings befora capital gains from sales of securities and other extraordinary items rose to SEK 314m in 1987. Earnings in 1986 totalled SEK 279m, including subscription rights and options valued at SEK 46m. There was no corresponding entry in the 1987 accounts. Earnings per share amounted to SEK 15 (1986: 16), including tax-exempt dividends of SEK 4 (6).

Earnings before year-end allo-cations and tax rose to SEK 449 (403)m.

In the beginning of 1988, Bahco made a public offer to purchase all outstanding shares in Besam, a Swedish subsidiary registered on the Stockholm Stock Exchange's All-list. Furthermore, Bahco Verktyg acquired Belzer-Dowidat, one of West

Germany's leading producers of hand tools.

Dividend increase Annual General Meeting decided on an increase of 20 per

cent in dividends per share to SEK 5.60. Dividend growth during the last five years has averaged 22.9 per cent.

Earnings from industrial operations increased 24%

invoiced sales by Bahco Group industrial companies amounted to SEK 3,289 (3,932)m. Earnings after financial items rose 24 per cent to SEK 290m. Thorsmans, a Swedish company listed on the Stockholm Stock Exchange, became a Bahco subsidiary in June and contributed SEK 38.5m to conaolidated earnings in 1987. Bahco Ventilation was sold

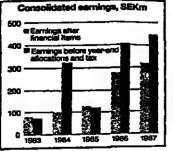
last year and is not included in

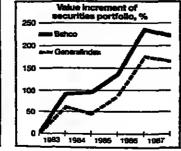
the financial accounts. Most industrial companies reported good volume growth and higher earnings. Return on capital employed by Bahco's industrial operations amount-ed to 24 (23) per cent.

Securities portfolio better than index

After adjustments for purchases and sales during the year, the market value of Bahco's securities portfolio declined five per cent; Affärsvärlden's* general index was down eight per cent in 1987. Including the subsidiaries Thorsmans and Besam, the market value of Bahco's securities portiolio at year-end 1987 was SEK 1,284m, or SEK 121 per share. The largest shareholdings include Industrivärden, Handelsbanken, SCA, AGA, Astra and Volvo.

* Aflärsvärlden is a Swedish business







INVESTMENT AB BAHCO 38 STUREGATAN, S-11436 STOCKHOLM TEL: + 46 8 - 667 04 55

Sweden and the EC

From previous page in authority, particularly the police, but it has not really changed fundamental attitudes of

Anna-Greta Leijon, the Minister of Justice, set np a secret investigation outside official channels, led by a well-known book publisher, threatens to undermine pohlic confidence still further,

resign last week.

There is certainly a good deal for Sweden to be proud of at the for Sweden to be proud of at the moment. Unlike many other European countries, it has no growing undarclass. Poverty is very hard to find. Attitudes to coloured immigrants can often be hostile but, to the surprise of many on the left in Sweden, no right-wing mass movement on the Le Pen model has emerged in the country's political life.

the Le Pen model has emerged in the country's political life.

Even high taxation has so far failed to provoke a middle-class backlash as it has done in Den-mark, though anxieties about the health service and education are growing more pronounced, as the state services come under increasing strain from the grow-ing demand on their finite

By international standards, crime in Sweden remains very low and women can walk the streets of the big cities at night with a much greater sense of security than almost anywhere else in the western world. It is true there is a drugs problem but it has yet to reach epidemic proportions and Aids has come late to Sweden, despite its much wanned international image as a land of promiscious ser. land of promiscuous sex.

Most Swedes hanker after what

they call lagon, which literally means "feeling just right" both with themselves and the society in which they live. Their sense of solidarity — shaped in part by over half a century of Social Democratic begenney but also solidarity — shaped in part by cover half a century of Social Democratic hegemony but also through the longer-term historical influences of Lutheranism — progressive and profitable multinations. A recent film, Sagoland (Wonderland), has won widespread acciaim in Sweden for its critical look at the contemporary character of the country, which is portrayed as being satiated by materialism, regimented in a dull conformity and lacking in the spontaneity and joic de vivre enjoyed by less affluent societies. The criticisms are not new, though they are more often levelled at Sweden by foreign observers than by Swedish film directors. Thay fall into a well-worn tradition of anti-Swedish attitudes that date from the 1950s, and perhaps go back even earlier.

In the late 1970s, when the borror of union bosses and hig swedish economy ran into severe trouble with a huge deficit, soaring inflation and massive increases in state spending, right-wing economists and politicals ootsida the country suggested that the Swedish model lay in ruins. Now their strictures look ill-placed, Sweden ish economy.

As we approach the 50th annibred in survival alike, individualism is breaking out on the shop-floor as versary of Hitler's war, events of that time will no doubt be commenced in both West and East. So much of the original impetus for the EC stemmed ity of the worker rather than the from a desire to prevent further such confiagrations. But Sweden cannot share that collective sense. strictures look ill-placed. Sweden

Andrew Control of the Control of the



are rising at a rapid rate.

Sweden's capacity to confound its enemies remains considerable. Today it remains a country dominated by the ethos of a pragmatic socialism, which still combines progressive and profitable multinational companies with a welfare state, high levels of unionissism and a weakening of the fiour and public service spending, low unemployment and high low unem

1950s, and perhaps go back even aging a corporatist economy are probably gone for good. To the In the late 1970s, when the Swedish economy ran into severe trouble with a huge deficit, soar-breaking out on the shop-floor as

ish economy.

cannot share that collective sense ber of the wider is Of course, this has led to a of grief. Fortunately, through a munity of nations,

up until now.

There is a deep constant tension inside sweden, perhaps inside every Swede, between a inside every swede, between a sense of wanting to be alone and apart and a sense of belonging, of wanting to conform. Like most tensions, it cannot be resolved by tensions, it cannot be resolved by the triumph of one feeling over the other. The new, wide-ranging debate about Europe, however, does give Sweden, perhaps for the first time in this century, a genuine opportunity to make a vital decision ahout its own future that could make a henefi-cial impact on the future of the whole Continent.

whole Continent.

By coming in from the cold, Sweden can return to the rich-ness of its past traditions as an important and influential mem-ber of the wider European comThe economy

A model who shows her age | Solving the labour shortage

IN HIS budget statement to Par- little serious notice of such and accept such deals, despite 1967, with a further decline to 1.3 the obvious dangers that these per cent in 1969.

Klell-Olof Feldit, the Finance Min- In 1987 average earnings in now pose for the traditional The government remains com-

June 15 ff

As he explained: "The large imbalances have been reduced by means of hard, purposeful work. The budget deficit has been pushed down to little more than 1 per cent of GDP. The external balance has also been improved. Unemployment is low and the rate of inflation has been harved. In a period of vigorous renewal and expansion, Swedish industry clas regained its international

But even in January the government had already begun to recognise there were growing dangers to the well-being of the Swedish economy. Over the intervening months those threats have become ever more interven. have become ever more intense, even though they have yet to reach anything like crisis propor-

This aummer most Swedes seem unaware of any serious trouble ahead for their continuing economic prosperity as they go on spending beyond their means. There was a modest attempt at cooling the overbeated economy in the supplementary budget in the spring but in election year the government in no mood to take any more radical action by introducing greater fiscal restraint.

Yet the fundamental internal weakness of Sweden's economy has re-emerged in the present conditions of full employment. Once more wage push pressures, as in the past, threaten to under-mine the country's international competitiveness and destroy the advantages gained by the devaluation of the krona in the early 1980s. In its latest economic out look survey the independent Organisation for Economic Co-operation and Development (OECD) in Paris warned last week that Sweden's domestic costs would bring about a slowdown in the country's export growth next

in the 6

Last autumn the government ried to encourage the proposal that wage deals should be kept down to an annual average rise of no more than 4 per cent. Indeed, Mr Feldt warned that it would be catastrophic for the economy if they rose by very

The underlying rate of infla-tion is also rising too fast for comfort now, largely as a result per cent in Sweden during 1988,

threatens to undermine the country's

position but this has had an inevitable knock-on effect on the rest of the labour market.

In recent months public sector workers employed in the health service and local government have achieved two-year pay agreements that will bring them overall increases in earnings well in excess of 10 per cent, particularly for those prepared to work unsocial hours in areas of labour shortage.

The need for substantial wage increases for the relatively low-paid public service workers has been recognised across the labour market, because the growing shortage of skilled personnel, especially in the hospitals, was adding to the strains being imposed on the health service.

The new agreements have recognised the need to take into account conditions of supply and demand by introducing much at local level and making it easier to reward individual merit through higher bonuses. But they have dealt a serious blow at the already weakened centralised system of collective bargaining based on the principle of wage solidarity between workers.

Reinctantly, union leaders much more. However, the recent have had to bow to the pressure ing down to L6 per cent this year wage bargaining round has taken coming from their own members compared with 2.7 per cent in

ister, declared that the Swedish Swedish went up by 7 per cent Swedish model of wage negotia-economy was "essentially strong and they look like doing about and well-equipped for the the same again this year. This is organisations of capital and a figure that is twice as high as labour used to bargain together the current OECD earnings averplace and beyond the individual company or even industry.

> A recent highly influential of what has been happening in wage negotiations. While the annual price increase rete in West Germany is only 1.1 per cent and 0.7 per cent in Japan, it tem during the early 1980s and book, Den Svenksa Modellen, by Professor Nils Ervander of Uppslooks like reaching around 5.5 poses the crucial question of whether it can really be restored.

international competitiveness nlarly among the large export-ori- see how it can be, even though ented companies, reflects their strenuous efforts may be expec-own extremely buoyant business ted over the next few months to try to reach an agreement on

Swedish economy can really

The difficulties of containing domestic costs are also going to add to the problem of Sweden's current balance of payments deficit, which looks like worsening this year. The government's latest prediction is that it will reach SKr11.5bn in 1988 but it may well be much higher and go on rising next year. However, Sweden's current account difficulties are less acute than they were eight years ago when the deficit amounted to as much as 4 per cent of its GDP, compared with an estimated 1 per cent for 1988.

A continuing fall in the value of the American dollar on foreign exchange markets could ba expected to take the krona with greater discretion for bargaining it and this would help to maintain Swedish competitiveness against both the West German Deutschemark and sterling. So would a continuation of low oil

At the same time, the annual that voluntary pay restraint is growth in the country's gross the necessary method of safedomestic product looks like slow. guarding their future prosperity.

The government remains committed to full employment. Indeed, ministers insist that they will never pursue economic poli-cles which will endanger it. But the problem is that Sweden is now suffering from the consequences of its relative economic successes of the early 1960s. With as many as 60 per cent of the country's manufacturers working at full capacity, there is a grow-ing shortage of labour so that workers are in a strong position to maximise their bargaining

contain the wage push inflation pressures that result from condi-

Perhaps Swedan is becoming more like other western countries as its sense of solidarity becomes less dominant. Certainly Mr Feldt or his successor at the Ministry of Finance will have some difficult decisions to take overall pay rises in 1989 that will over the next 12 months if the be more in line with what the country intends to avoid returning to the kind of economic problems it had to confront nearly 10 years ago.

In its latest economic perspec-tive Skandinaviska Enskilda Banken, the country's leading bank, provides some succinct reasons why the country has to rule out any further devaluation but it also warns that Sweden, with half its industrial production exported, cannot afford to let its own domestic costs go up more steeply than trends among its trading competitors.

As it argues: "Ultimately there are only two alternatives; rigor-ous domestic constraints (raised VAT) or a currency deprecia

The only way to avoid either of those unpalatable remedies will be to ensure responsible wage bargaining. But perhaps the famed Swedish model has ontlived its effectiveness in convincing employers and workers alike

Robert Taylor

Unemployment

Swing of the pendulum

SWEDEN acquired an interna- cent would like to be either civil

siveness, but it is about time out-data consultancy also figured siders recognised the new reali-high among the favoured jobs.

With LESS than 2 per cent registered jobless, Sweden has one of in Stockholm: "It has been possible lowest unemployment rates in the world. As many as 83 per cent of its people between 16 and than in many other western the lowest unemployment rates in the world. As many as 83 per cent of its people between 16 and than in many other western the lowest unemployment can labour shortages that are already threatening Sweden's capacity to ment to benefits for failing the grow.

Already 17 per cent of the population is over the age of 65 and the lowest unemployment can labour shortages that are already threatening Sweden's capacity to ment to benefits for failing the grow. 64 years old have work, with countries, since the people who around a quarter in part-time have been obliged to change jobs

No public speech by Mr Ingvar financial worries." Carlsson, the Prime Ministar, particularly to international audiences, seems complete without a reference to this undoubted achievement. Only Japan, Switzerland and Norway enjoy a similar low level of memployment among OECD countries. Indeed, the post-war peak of workles-sness in Sweden was a mere 2.9 per cent in 1983.
The success of the country's

last financial year as much as 3 vacancy occurs. Refusal to take jobless by 1995) but the acute per cent of Sweden's gross national product was devoted to labour market measures which were designed mainly to keep

down unemployment.

No political party would stand much chance of doing well in a general election in Sweden if it abandoned the full employment consensus, even though this poses genuine difficulties for establishing a successful and sta-

ble incomes strategy.

However, the axistence of a tight labour market has not meant that Swadan is however.

A recent opinion poli of Sweden's young people, carried out by a leading survey organisation meant that Sweden is hampered by inefficient rigidities in employment. There is a surpris-ingly high level of mobility at the workplace and in the past few years the government has pushed through necessary industrial readjustments like running down the shipbuilding and textile live with the same person for the industries despite the obvious rest of one's life was the best loss of jobs that this involved. A recent study of the Swedish labour market by Guy Standing,

labour market by Guy Standing, of the International Labour office in Geneva, concluded that over the past 20 years there had their child, Nowadays, the young value stability in their personal rela-tions. Sixty-three per cent adjustment - moving production and employment out of its heavy industrial base into high-technology export industries as well as into public sector employment relationship between a man and a woman was trust, while 18 per cent mentioned fidelity. Only 1 per cent believed that a good time in bed was the most imporwithout any period of mass unemployment. The lack of serious workplace resistance to such time in bed was the most in a fundamental change has owed tant basis of a relationship. The young are also very interested in having a job. As many a great deal to the sense of secugenerated by the country's

labour market system

have not been beset by great

This has not meant that the state encourages a permanent and generous system of welfare benefits to ease the position of the unemployed. On the con-trary, Sweden has always taken a tough attitude to any suggestion that people should scrounge off the state and it has championed the work ethic in a vigorous way.

Tha country's monopolistic and labour market owes very little to government run labour market chance and a great deal to a traditional commitment to the main- has to register at the employtenance of full employment thet ment exchange, look actively for has dominated government atti- work and accept whatever "suittudes since the early 1930s. In the able" job is on offer when a

tional reputation during the

1960s as a land of sexual permis-

siders recognised the new reali-

SIFO for the popular newspaper Aftonbladet, suggests that the

pendulum has swung away from the swinging days of free love and personal liberation.

As many as two-thirds of the

16-to-23-year-old boys and girls polled thought that to marry and

foundation for a happy life; only

20 per cent disagreed. Also, 61

thought that the key factor in a

As Mr Carlsson told the recent in the travel trade, while 23 per reporting of the past.

ties, writes Robert Taylor.

But unlike in Britain, Sweden

provides a comprehensive and publicly-funded training service for the labour market that ensures a relatively successful match of supply with demand. Up to 3 per cent of the country's workers are on some kind of offthe joh training at any one time, nearly twice the official unem-

During the past few months there has been a growing public debate in Sweden about what the labour market of the 1990s will be like and the problems it will pose for the health of the economy. The major problem is likely to be not the level of unemployment (estimates suggest this will be no more than 1.5 per cent registered

engineers or journalists. Work-

ing in research, distribution and

Many women wanted to be hair-dressers, but quite a few said

they would settle for being just

honsewives.

Aftonbladet suggested that the SIFO findings indicated that young people have repudiated the values and attitudes of the

1960s generation, most of whom

are their parents. But the change

should not be exaggerated. It is officially estimated that half the

Sweden today are unmarried and

half the children are born out of

Moreover, 65 per cent of the sample disagreed with the asser-

tion that the mother should take

first responsibility for looking after her child. The main motiva-

tion for a job was not to make

big money, but to have pleasant

with gloom about the future.

While 31 per cent thought there would be a third world war one

day, as many as 58 per cent did

Young Swedes are not filled

work and nice colleagues.

ulation is over the age of 65 and the number of elderly people who will retire from working life is expected to rise sharply between now and the end of the century. At the same time, the number of youngsters looking for a job will decline. With a relatively low birth rate - nearly half of Sweden's families have only one child - and a much greater life expectancy than most other countries, Sweden is going to find its wealth creation and welfare dependent on the work of fewer and fewer people.

The Ministry of Labour warned in an important study published in March that there was a danger of a polarisation inside the labour market during the next decade with many workers whose training is inadequate to exploit the opportunities on the one hand and an unmet demand for skilled and adaptable workers in technologically-based employment on the other.

However, perhaps the main solution 10 Sweden's future labour shortage lies in the tion into the country from the rest of western Europe, particupressure for a shortaning of working time, which would increase rather than improve business costs.

If the government is serious about its intention of bringing that of the European Community. one admirable way of demonofficially estimated that half the conples who live together in would be to make it easier for foreigners to come to work in

Por much of the post-war period Sweden has been right to blow its own trumpet about its commitment to full employment and quick to criticise other Euro pean countries which have given a higher priority to other eco-nomic objectives like containing inflation. Now an open door immigration policy could both belp to ease western Europe's unemployment crisis and resolve Sweden's own mounting labour market difficulties, if only Swetant basis of a relationship.

The young are also very interested in having a job. As many as 36 per cent would like to work

as 36 per cent would like to work

as 36 per cent would like to work

Robert Taylor

O11112

"We got some very favourable financing"

Rafael de Gracia Navarro. Executive Director, IRHE, Panama City. La Estrella - Los Valles Hydroelectric Power Plants, Panama, Skanska contract for USD 70 mil-

"They always

deliver on time

Meeda Reuben Naburi,

Director General, Sugar

Development Corporation, Dar Es Salaam.

Kilombero Irrigation

Project, Tanzania, Skanska contract for

USD 11 million.



"I would trust them with the most difficult job"

Gamini Dissanayake, Minister of Lands & Land Development and Minister of Mahaweli Development, Colombo. Kotmale Hydropower Plant, Sri Lanka, Skanska

contract for USD 313

million.



development, London

Docklands, UK. Skanska contract for

USD 650 million.





SKANSKA 1987:

Consolidated Balance Sheet, December 31, 1987. In millions of Swedish Kronor (SEK M). inge rate: SEK 1,000 = USD 169,69 (April, -88) 6,329 roiced sales from S,366 17,567 14,075 3,293 748 4,016 9,622 Shares and participation Machinery and equipart 1,2S2 1,072 6,993 4,763 626 1,477 1,204 Total 24,685 Total 24,685 aced revenues 1987 – SEK 19,631 M

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International Coordination Office. Skanska, S-21102 Malmö, Sweden. Telephone +46(40)144000. Telex 32247 skanska s. Telefax +46(40)114303. Profile: Kjell-Olof Feldt

The acceptable face of socialism

HE IS the key figure in his country's economic revival during the 1980s.

Indeed, there are many who Sweden's 56-year-old Finance Minister, is the real power in the government, overshadowing the Prime Minister. "When he speaks all Sweden listens," declared the husiness magazine Dagens Indus-

tri recently.

An owlish, grey-haired man, Mr Feldt is acutely aware of his own brilliance and he does not

suffer fools gladly.

Over the past few weeks he has aroused considerable controversy in Sweden, particularly inside the Social Democratic party, because tant defence of a pragmatic finan-cial policy that has won the widespread admiration of employers and the banks.

There was public outrage on the left of his party and in the blue-collar trade union organisation, the LO, at his recent, personal decision to give the go-ahead to the purchase of Sweden's leading hrokerage firm Car-negie Fondkommision by the state-owned PKbanken for SKr2.7bn (\$456m).

What upset them was the fact that Carnegie was controlled by the financier Mr Eric Penser, the fifth richest Swede, who lives in tax exile in Belgium. They claimed it was "immoral and unethical" for a Social Democrat minister to do husiness with one of the country's leading capital-ists. But Mr Feldt refused to be apologetic about it, arguing the PKbanken deal was "good for

Sweden" as well as the bank. His Cabinet colleagues tend to defer to his financial expertise. Even Mr ingvar Carlsson appears to allow him considerable free rein. But then, Mr Feldt is the latest in a line of highly successful Social Democratic finance ministers, like Ernst Wigforss and Gunnar Strang, who have managed the Swedish economy since the 1930s with a good deal of finesse and lack of respect for

rigid Socialist dogmas. "We must not let ourselves he declared some years ago. "Capitalism has many large problems but we have not got a wall-

to-wall alternative."
His relations with the Swedish trade union movement have often proved difficult, mainly because Mr Feldt displays a much greater sensitivity than his opponents on the left to the difficulties facing the private sector. And when necessary, he has been ready to express his opposition to union wage demands which he felt to be excessive.



nce Minister Feldt: sensitiv

to introduce wage earner funds

Divisions in the early 1980s over public sector spending with the LO leadership provoked what became known as the "war of the roses" inside the labour movement as the union bosses accused ence degree at Uppsala University, the Oxbridge of Sweden. His kets have been immoral.

Mr Feldt's admirers - like

with the controversial proposal outside the ranks of his own office in September 1982, Olof to introduce wage earner funds to cream off some of the profits of Swedish industry, but he did so with little apparent enthusiasm, despite their advocacy by the all-powerful LO.

Divisions in the early 1980s of the admit they would be distributed for his efforts.

Perhaps more than any other social Democrat, Mr Feldt had shaped the economic policy directions are seriously comprehensed assertions. professional competence cannot be matched by anybody else in the other non-Socialist parties.

Social Democrat, Mr Feldt had shaped the economic policy direc-

ing, textiles and engineering.

cies. However, Mr Feldt has been early career was spent in the ready when he felt it advisable to civil service in the Ministry of bend to LO demands. The husi- Finance, where he rose to he ness community, for example, under-secretary of state in 1967, a has been almost universally criti- post he held for three years. In cal of his proposal to introduce 1970 he was made minister and the so-called "yuppy" tax, which head of the Ministry of Comis designed to appease union merce and Industry, after spendleaders who feel some of the ing three years as chairman of recent antics on the money mar the board of governors of the Bank of Sweden

Mr Feldt entered Parliament those of Professor Karl Schiller in for Kopparberg county in 1971, West Germany during the late and be joined the executive of the 1960s when he was finance minis- Social Democratic party seven the necessary foundation for the ter in the Social Democratic years later. When the Social country's economic recovery durcoalition — tend to come from Democrats were returned to lng the 1980s. In his budget state-

nomic crisis since the 1930s.

As he pointed out, between 1982 and 1987 the country's gross domestic product went up by 13 per cent, industrial production rose by 20 per cent, industrial

ment earlier this year he could claim with some justification that his strategy had worked and the government had pulled Swe-

den out of its most serious eco-

investment by almost 60 per cent, the rate of inflation was halved and unemployment fell to below 2 per cent. Above all, the budget deficit was reduced from over 13 per cent of GDP to about 1 per

Indeed, Mr Feldt seemed to have schieved what most other western finance ministers believed to be impossible in modern conditions - to establish full employment with a low level of inflation. Contrary, however, to the doubts of his left-wing oppo-nents in the unions. Mr Feldt is not just a ruthless pragmatist

with a flair for economics.

As he told the party congress last autumn: "A strong economy is not an end in itself but a necessary means to reach other goals - work for all, just redistribu-tion, social stability and a good material living standard for the people. For us Social Democrats, the purpose of investment, growth and balance in the state's affairs is to enable as many peo-ple as possible to live a richer,

But Mr Feldt is well aware that Sweden cannot pursue its own economic policies without much regard to what is happening in the rest of the world. Ever since 1967 he has taken an active part in the Organisation for Economic Co-operation and Development in Paris, where he now chairs the OECD finance ministers committee, though his economic views are not shared by most of his

To many non-Socialist Swedes. shaped the economic policy direction of the party during its six Mr Feldt is the acceptable face of years out of power. It was he who devised the system known as the "third way," which upheld the traditional commitment to full employment and the welfare party. Whether he has the state but also determined to mina for introducing more reduce. Sweden's buge foreign and contropting wage. reduce Sweden's huge foreign restraint and controoting wage-debt through a tight fiscal strat-egy with curbs on public spend-crats achieve an election victory ing, restraint on consumer in the autumn, as he may have to demand and a willingness to do, is more uncertain. restructure Swedish industry to But Mr Feldt has never been

meet foreign competition through slow to fight his corner. And for the removal of subsidies and the all the sniping from the left, closure of uneconomic enter-nobody inside the party denies prises in sectors like shipbuild- his technical brilliance. In short - like it or not - the Social Mr Feldt's 16 per cent devalua- Democrats cannot thrive without tion of the krona in 1982 provided Mr Feldt and both they and he the necessary foundation for the know it.

Robert Taylor

Defence industry

Arms sale dilemma for neutralists

SWEDEN'S DEFENCE industry is enjoying an export boom, but threats by the government to tighten the country's already strict arms sales rules could spell tougher times ahead for the weapons manufacturers, who already face budget austerity at

The country's arms exports almost donbled last year to SKr3.2bn, with the increase argely due to initial deliveries of the Bofors Howitzer 77 155mm artillery ordered by India in a SKr8.4hm deal.

A traditional exporter of artillery, grenade launchers and small arms, Sweden last year won its first overseas order for submarines from Australia. The decision to purchase six Type 471 rines from Kockums will yield the Swedish state-owned naval shipbuilding yard A\$500m as part of the A\$3.9bn contract. The vessels will be huilt in Australia hy a consortium consisting of Kockums and several Austra-lian industrial partners.

Bofors has also scored an export success with its RBS-70 portable anti-aircraft missile. It is the first such infantry weapon in the world to use laser guidance, making the missile impervious to electronic counter-measures. The company hopes to achieve similar sales with its Bill anti-tank missile which is designed to zero in on vulnerable tank turrets. Bill is now competing for an order from the US Defense Department.

But disclosures over the last few years that Bofors and state-owned FFV, Sweden's two largest arms exporters, engaged in arms smuggling over two decades from the mid-1960s, has forced the Social Democratic government to consider tougher arms sales rules that could reduce exports.

The Prime Minister recently warned that defence manufactur ers must obey the country's arms export laws or face the possibility of a total ban on sales. Sweden now bars the sale of weapons to countries at war or in areas of conflict. Mr Carlsson claimed that illegal weapons deliveries to nations on the "black list" had damaged neutral Sweden's reputation as a supporter of international disarmament.

Although Mr Carlsson's threat has been dismissed by some as pre-election rhetoric, his remarks reflect the pressure the government has been put under by the ruling party's left wing to curtail

spring that will close some loop-holes in arms export controls. Marketing activity by defence firms in prohibited regions will be hanned, nnless prior approval is given by the govern-ment. End-user certificates will ment. sind-user certificates will be required for the export of mili-tary components. Countries found re-exporting Swedish-made arms to "black list" nations will he subject to an weapons

But any major curb in arms exports poses a dilemma for Swe-den. Foreign sales are necessary to support the country's exten-sive arms industry, which was erected to bolster Sweden's neotral security policy. Sweden makes most major categories of military equipment, including supersonic combat aircraft, missiles and torpedoes, naval vesseis and suhmarines, tanks and armoured personnel carriers, and defence electronic equipment.

Cuts in exports would force the government to pay a higher price for defence equipment. It would need drastically to boost defence spending, which has fallen in real terms in the past 20 years to 2.8 per cent of GNP.

Export limits would probably also cause some of Sweden's 10 major defence contractors, including Volvo, Saah-Scania, Ericsson and Svenska Philips, to reduce or abandon their military activity.

The aerospace sector illustrates some of the difficulties faced by Swedish defence firms. Sweden's swedish defence firms. Sweden's single biggest military project is the SKr40bn development of the JAS 39 Gripen combat aircraft, which involves Saab-Scania as prime contractor with Volvo Flygmotor, Ericsson and FFV as subcontractors. Tied to a fixedcost contract to deliver 30 aircraft to the Swedish Air Force with an option on another 110, the consor tium has come under pressure to find foreign customers as the project threatens to exceed its stipulated hudget.

Bnt Sweden has never been particularly successful at selling its combat aircraft abroad. It failed to export Viggen, the JAS 39's costly predecessor. Mr Georg Karnsund, Saah's president, argues that the JAS 39 has a better chance. It is lighter than the Viggen and can perform inter-cept, attack and reconnaisance missions without the need for

Sales prospects are likely to dim, however, if the Swedish Air Force refuses to order a two-seat trainer versioo, due to hudget austerity. Tha most likely buyers of the JAS 39, considered to be Austria, Denmark and Finland, have suggested they would drop consideration of the aircraft if a trainer version is not provided.

Saab's missile division, which is searching for a new research programme, wants to develop a first-generation "fire and forget" air-to-air missile for the JAS 39. It is proposing to co-operate with British Aerospace on developing an improved version of Skyilash 90 thet would be followed by a Swedish-huit missile with a greater range. The Swedish gov-ernment is halking at its estimated SKr6hn price tag, while the British have expressed wor-ries ahout the missile's export possibilities in the light of the Swedish government's tougher attitude on foreign arms sales.

A government-appointed independent panel, the Citizens' Commission on Arms Exports, concluded in May that Sweden must forthrightly pursue arms exports "when it is deemed necessary to ensure a requisite snpply of equipment to the Swedish defence forces and when it is compatible with the principles and aims of Sweden's foreign pol-

It accused the government of having followed a contradictory arms sales policy in the past because of its refusal to acknowledge difficulty in reconciling its neutralist foreign policy with the need to export arms so as to support an independent defence capability.

The blue ribbon panel argued that the government should have confronted the arms export dilemma by telling the Swedish public "in a sufficiently forceft," and open manner" about the necessity for arms exports.

instead of stopping arms exports, an action described by the commission as "not compati-ble with Sweden's security policy interests," the government should strictly supervise current controls on arms sales in order to restore public faith.

John Burton

Sweden

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strong liquidity and equity ratio should ensure future growth and development.

Soren Gylf
President and Chief Executive Officer PROCORDIA Group

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Procordia is one of Sweden's largest industrial groups. The turnover in 1987 amounted to 16.2 billion Swedish kronor, of which some 35% was generated abroad. The profit after financial items amounted to 1,362 million Swedish kronor. The Group employs some 27,000 people.

Procordia's activities are concentrated in the Consumer Goods, Services, Health Care and Engineering fields. The choice of these business areas creates a balance between mature and young, growth businesses, between high risk and less capital-intensive activities.

The Services sector includes security, cleaning and catering services, restaurants, hotels and educational products. The Consumer Goods sector markets a wide range of food products, ranging from natural medicines to dry foods. desserts and snacks. The Swedish Tobacco Company competes successfully against large multinational tobacco companies. It is also the world's largest producer of smokeless

Pripps and Falken are the names of Sweden's two largest brewing companies in beer and soft drinks.

The pharmaceutical company KabiVitrum supplies world markets with advanced products in Nutrition, Growth hormones and Haematology, while ACO Läkemedel is in

basic drugs, primarily in the Swedish market. The Engineering sector consists of a large group of companies foremost in transport and material handling.

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Industry

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that obliquely explained the vari-ous husiness activities of the state-run conglomerate.

The publicity campaign her-alded Procordia's bourse introduction, the blggest domestic share issue staged in Sweden. It was also the biggest step yet taken by the Social Democratic government to revive and streamline the state-owned hustness sector by opening it up to private investment and raising badly needed capital.

The government's gradual semi-privatisation programme and the market orientated-philosophy it has imposed on the run-ning of its corporate holdings are part of its strategy to reduce the huge budget deficit it inherited from the 1976-82 period of non-socialist rule. Fearful of being blamed for causing nnemploy-ment, the non-socialist coalition pumped money into lame duck state concerns and nationalised the shipbuilding industry, piling

up huge losses. Ooe of the first tasks under-taken by the Social Democrats after their return to power in 1982 was to overhaul the state sector. Unlike the British Labour Party, the Swedish Social Democrats have never been believers in nationalisation. Traditionally, they viewed state ownership as a temporary remedy to save employment in ailing industries. Public enterprises, including utilities, account for both 8.5 per cent of the national workforce and of industrial turnover, below

The centrepiece of the restructwing programme was to strip the state holding company, the Stats-foretag, of its worst loss-making divisions — steel, mining and forestry products - in the hope of returning it to immediate profit-

Nobel Industries in March.

"BED PLUS pub, plus room, plus tobacco monopoly (Svenska food, plus guard equals Procordia" read one of the puzzling Falcon), food and confectionery, advertising posters last autumn hotels (Sara), restaurants, pubsec, a Swedish financier in return strong worldwide demand last

of Skr16.2bn in 1987, come from tobacco, beer and confectionery. But the company has nearly reached saturation point with these products in the slow-grow-ing Swedish market. Last year's decision to sell off

19 per cent of Procordia through the share issue, which raised SKr1.05hn, was designed to finance overseas acquisitions and expand activity in the company's pharmacentical, hotel and restaurant operations.

in the last few years, Procordia has turned its attention abroad. In 1985, it become the world's largest producer of smokeless tobacco products with its pur-chase of Pinkerton Tobacco in the US. A year later, it bought Coventry Climax, the troubled UK forklift truck maker, through Kalmar Industries.

Procordia is likely to use the bulk of its new investment capi-tal to launch its pharmaceuticals snbsidlary KahiVltrum on the international market through European acquisitions. It will also fund the huilding of Sara's seventh US hotel in New York and support the chain's expansion into Asia, following the opening of a hotel in China last

Although the government can point to Procordia's success, its semi-privatisation programme has generated controversy from right and left.

The non-socialists charge that small private investors had scant chance to acquire Procordia's listed shares after the governestry products — in the hope of returning it to immediate profit-ability.

Renamed Procordia to distance it from the state, the company, under Mr Soren Gyll, its managing director, has concentrated on growth in the consumer product and services sectors while continuing to shed its remaining industrial assets, such as the sale of its Berol chemical division to Nobel Industries in March.

month to further dilute its stake Fifteen major companies are now grouped under Procordia, Sweden's 16th largest company.
They include the national trade unions and ruling party's

But the government appears determined to carry on with its strategy. It announced early this month that it intended to reduce its 70 per cent stake in the NCB forestry company to just over half its equity. The question, though, is whether the state can attract pri-

vate investment to the rest of its wholly-owned enterprises, some of which are in dire financial The government has been

grooming its shipyard operations for semi-privatisation in early 1990s hy phasing out unprofitable facilities. One sign of its determination to attract investment was the recent name change from Swedyards to Celsius Industries. The state shows a marked pref-erence for delving into the Latin dictionary to refurbish the image

of its companies in the hope per-haps that they will imitate the success of Valvo. But that looks doubtful in thie case. Celsius Industries was the second worst corporate performer in Sweden last year, losing SKr408m.

hotels (Sara), restaurants, publishing (Liber), pharmaceuticals
(KabiVitrum and Aco), and engineering (Kalmar Industries and

Carnegie Fondkommission, the
vehemence of the dehate
suggested that government'a
sharpest profit fall hy SKr319m to
SKr259m because of the weak dol-

Chastened by their previous experience in power, the non-so-cialist parties now vow to privatise almost the entire state sector through share issues that would be directed at individual inves-tors rather than the Social Democrats' preferred institutional partners, if they win office in

John Burton

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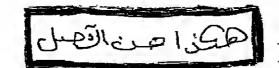
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The SKr2.7bn deal aroused such passions because Mr Penser

in the private stockbrokers who are competing for share a sign that PKbanken, the third largest commercial bank, is adopting a more aggressive and petition has hecome much adopting a more aggressive and management of Mr Christer Zetter management of Mr Christer Zetter management of Mr Christer Zetter as managing director of Holmen, which forestry company.

With Carnegle, PKhanken hopes to boost its share in the credit of hard bank and brokerages to sharpen interest income (due to higher interest income observed interest income interested in their control in Board, the bank increase in their control interest income interested in their control interest income (due to higher i

With Carnegie, PKhanken comes to borrowing they can hopes to boost its share in the turn to the money market. hopes to boost its share in the brokerage market from 3 to 18 finance companies, mortgage per cent. The deal should allow institutions or banks.

The deal should allow institutions or banks.

The competition between the national business, new issues and company acquisitions.

Lending to nouseholds is show pass those results in 1831, and in inguisition pass the case of two banks — Gotathan pass t

For Swedish banks, the market show less inclination to stand by aimed at curbing consumption resulted from inadequate man- Gota Group (Sweden's fourth ommended that this should be largest banking and financial ser- allowed in future.

expect to witness a slowdown.

Lending to households is showing signs of slowing this year, as the case of two banks — Gotathis market is near saturation.

The most, it was hard to surpass those results in 1987, and in the case of two banks — Gotathis market is near saturation.

The most is the bank of the surpass the case of two banks — Gotathis market is near saturation.

agement control. petitive. The Carnegie deal was strategically vital for PKbanken because of competition from Because of the tougher compe
Because of the tougher compe
These scandals have forced the banks and brokerages to sharpen of the banks showed increased their control over the use of new

Europe to continue, leading to the formation of large, cross-bor-der mega-banks which will pose a serious threat to the Nordic

This is ooe reason why the

vices group which owns Gotabanken and controls Wermlandsban-ken and Skareborgsbanken) seas, it is obviously an expensive recently announced plans to form process and Gota's strategy of

though the banks are becoming through a holding company banking, and in data processing.

stage. Although foreigners are mied.

Stock market

Although the Swedish banks recently announced plans to form process and Gota's strategy of a Nordic banking and financial comhining its overseas services group with Kansallis-O-sake-Pankki (KOP), Finland's cally complementary network leading hank leading bank. means that it can offer its cus-tomers trade financing in the a measure of cross-ownership major financial centres.

In the insurance sector, a simistructure and will co-operate in lar effort to create a pan Nordic committees.

The government grouping has taken place with Most of those in the financial The new grouping could expand ance company, forging links in world expect the wave of banking to include Danish and Norwegian Finland and Denmark, although interests eventually.

KOP is expected to take a in Vesta, the Norwegian insurdirect stake in Gota at a later ance group, have so far been styits efforts to take a shareholding

not permitted to own shares in banks at present, the Credit Market Committee has already rec-

increased competition the inter nal market will bring, they feel hampered by regulations and proposals at home.

So fer, the committees appointed to study developments in the credit and insurance sector have tended to propose restric-tions such as limits on the ownership of bank and insurance com-pany shares, which the banks and insurance groups claim are totally out of line with develop-

ments in Europe. This means that it would be very difficult to set np large financial services houses with banks and insurance companies under one roof. Many in the business community are worried by what they perceive as the old-fashioned mentality of these

The government has yet to decide whether to follow these recommendations: there is still a chance that it may feel compelled to look instead at the develop-ments taking place outside Swe-den if it wants other Europeans to believe its sincerity when it talks of seeking as close co-operation as possible with the EC



Tax reform

The bearers of the burden

STOCKHOLM'S 25-storey Tax House, headquarters for the regional tax authority, is one of the city's tallest huildings. Its looming concrete presence over the working class district of Södermalm is a graphic reminder that Swedes live under the shadow of the working heaviest tax burden, amounting to 51 per cent of GNP.

Despite its notoriety, the Swedish tax system explains why the country can successfully maintain both a vibrant corporate sector and an extensive social wel-

tor and an extensive social wel-

fare system. Companies are treated relatively generously as the source of the nation's prosperity. It is the steeply progressive rates paid by the individual, reflecting the Social Democratic government's equalitarian philosophy, that mainly supports the smorgasbord of social services. "The Social Democrats like rich companies, but not rich individuals, com-ments Mr Sven Wallgren, president of Esselte, the Swedish office supply product multina-

This allocation of the tax burden is unlikely to be changed radically by forthcoming tax reform proposals. An overhaul of the tax system was first mooted 18 months ago by Mr Kjell-Olof Feldt, the Finance Minister, who talked of achieving the same goals as the 1986 US tax reform, including lower marginal rates, a simplified tax structure and fewer deductions

Three special parliamentary commissions are now separately reviewing corporate, personal and indirect taxation, with their proposals due by the end of the year after September's general

Although details of the tax reform remain unclear, guide-lines have already been estab-lished. These include halving the equitable capital gains tax that

consumer goods.

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pulp, paper, machinery, chemicals, timber, building material & steel, textiles, foodstuffs,

The steeply progressive national income tax rates have provoked most criticism. It is argued that they discourage overtime and create a black economy

torting effects of the current sys-tem, which favours debt financ-ing, capital intensive industries and the growing ownership of corporate holdings by insurance companies and tax-exempt insti-tutions," says Mr Göran Nor-mann, director of fiscal policy analysis at the Federation of Swellsh Industries.

introduction in 1984 of a special profit tax to finance worker owning, capital-intensive industries and the growing ownership of corporate holdings by insurance companies and tax-exempt institutions," says Mr Gōran Normann, director of fiscal policy analysis at the Federation of Swedish Industries.

The federation believes the tax reform will promote a more efficient use of capital investment, encouraging the growth of high tech companies and smaller concerns. The introduction of a more equitable capital gains tax that intended to a corporate investment reserve fund to environmental protection of National attention on National American in 1984 of a special profit tax to finance worker owners which the goods.

The issue of tax reform, particularly VAT, is complicated by Sweden's pledge to harmonise its relations with the EC. Some observers believe that the Swedish industry sees other worrying signs. A one-off 7 per cent tax was imposed last profit tax in the pr

reform has naturally focused on personal income tax. The average Swede paya close to 40 per cent in national and local income taxes with the top rate being 75 per cent. All income groups pay an everage 30 per cent in local taxes that are used to finance the majority of social services. It is the steeply progressive national income tax rates that have pro-

climbs sharply upward with 20 per cent taxation for those earn-

low income groups, 45 per cent for medium-size ones and 60 per cent for upper-income earners. This would be done at the cost of reducing basic allowances and other tax-deductible items. including interest payments on personal loans and insurance

depreciation rules, and interest rate and dividend deductions offer further tax reliefs.

The tax reform would eliminate or restrict these deductions in return for the lower corporate tax rate. Use of the reserves will probably be abolished or severely curtailed and tougher rules introduced for depreciation.

The Swedish private sector generally welcomes the reform. "It will correct some of the distorting effects of the current system, which favours debt financing, capital-intensive industries in compensate for the that reductions in income taxation would be compensated for by a rise in the VAT rate, known in Sweden as MOMS, which is now applied at an uniform level of 23.45 per cent. Public resistance to a VAT increase is growing, however. Mr Feldt signalled late that the Social Democrats have taken a tougher attitude to corporate taxation since the reform. The swedish private sector debate concerned the introduction in 1984 of a special profit tax to finance worker owners, capital-intensive industries.

appeal as a corporate tax haven. the EC's recommended level of National attention on tax 4-9 per cent on food and 14-20 per reform has naturally focused on cent on other items.

income tax rates that have provoked the most criticism.

The national rate starts at 5 social services and perhaps lead per cent for those with an income to the growth of private alternative programmes.

John Burton

Funds lift the index

THE STOCKHOLM stock market was one of the strongest performers in Europe at the start of 1988, boosted chiefly hy the surplus liquidity, a generally strong set of corporate results from the export-oriented companies, and the relatively optimistic outlook on the economy in the short

One of the major factors buoving up the index is the fact that funds and institutions have so much surplus money to invest. The mutual funds have continned to attract money from small savers because of their tax advantages and this money has noured into the stock market.

The wage-earner funds - so despised by the business commnnity because they are intended to give the unions more control over the companies - do not have to invest in the stock market, but have nevertheless con-tinned to do so, helping to push the index still higher, though not quite within reach of its all-time high just before the October

pension funds have also contribnted to the rise; the problem for ing shares in Flackt, the air pol- son is the strong demand for

the fund managers is that oppor- lution control manufacturer. tunities to invest overseas are still very limited.

Although the Riksbank (the central bank) has relaxed the rules for investing in foreign shares, this is being conducted step by atep, in a very cautious

The Riksbank is allowing up to Skr3bn to be invested in foreign shares during 1988 and e further Skr3bn next year — this com-pares with a total stock market capitalisation of over SKr500bn in Stockholm so the outflow into foreign shares is not expected to drain much from the domestic

Adding further fuel to the increase is the wave of takeovers that have taken place this spring including (in the forestry sector) Stora's SKr5.9bn hid for Swedish Match and MoDo's SKr6.1bn offer for outstanding shares in Holmen and Iggesund. Nordstjernan, Sweden's larges

privately owned company with interests in shipping, construc-tion, steel, and real estate, bid SKr3.5bn for ABV, a domestic construction company, while Asea bid SKrl.74bn for outstand-

into accounts at the central bank third of those in Stockholm.
for a two-year period. The move Mr Bengt Ryden, chief execuwill, In effect, freeze about tive of the Stockholm stock

given cause for optimism with turnover in the shares of compa-strong improvements in 1987 and nies like Electrolux, Ericsson and for the beginning of 1988 from the Volvo was higher in London than

major industrial companies. group showed a 26 per cent drop government to cut the turnover in the first quarter, due to the tax in order to ettract husiness spring. However, most of the avail. Indeed, the government

reflected in the stock market.

The sector which has shown the strongest performance is forestry, up 50 per cent since the start of the year. The main reason their own account.

Analysis have warned this will make it more expensive for small share owners.

pulp, which has led to price increases in the market and large increases in profits for the major increases in profits for the major forestry groups. The recent series of ecquisitions among these groups has strengthened them considerably and means that they are better prepared should demand fall.

The major foreign investors, who pulled out of marginal mar-Mr Kjell-Olof Feldt, the kets such as Stockholm after the Finance Minister, has not looked October stock market crash, were favourably on this wave of enticed back in the spring during merger and acquisition activity. the takeover wave. However, He attempted to harness corpo with the high turnover tax in rate liquidity in his supplemen. Stockholm, foreign investors usutary budget with proposals for ally choose to buy the Swedish non-financial companies to place blue chips in London where 15 per cent of their liquid funds transaction costs are about one-

SKr10bn of corporate funds - exchange, points out that Stock-which will receive interest at holm is no longer the "home mar-below market rates. ket" for the major Swedish The corporate results have shares and that before the crash,

ajor industrial companies. in Stockholm, Volvo, the automotive and food He has continually urged the tbree-week-long strike this back to Stockholm, hat to no companies report good order has announced plans to wide the books and are working et full turnover tax which from 1989 will capacity to meet demand. Wor-cover money market instruries over inflation have not been ments, options, and shares traded

Sara Webb

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if its real and



There were many uncharted regions when Columbus

to one of the greatest discoveries - the New World.

the first breakthrough.

valuable attribute.

was planning his voyage, however his curiosity led him

Therefore if one is curious, one can often achieve

Even in our hi-tech industry today, curiosity is a

In our production we use cellulose fibre, one of

nature's most exciting raw materials. It has a number of different characteristics. Some we know, others we

nessed dramatic changes in the last few months with a series of strategic acquisitions and merg-ers among the most prominent

restructuring the need to move which, with its volatile price swings, makes for a rocky profit

For the past two years, pulp about SKrilbn in 1988, SCA esti-prices have soured - a factor mates.

rising since very little extra capacity will come on line to the ear future and few new mills are under construction.

However, success has not bred complacency and the Swedish groups have put their profits from pulp to good use in making key acquisitions. They are deter-mined to move away from lower pulp towards more stable, higher added value goods such as con-

With the help of a diversified base, they feel they are better pulp prices as the consumer products side would then provide a guaranteed market for pulp which would otherwise be sold on the open market.

Svenska Cellulosa (SCA) was

Mölnlycke has shown sales

are researching, in the knowledge that it can lead to

Through extensive research and development

STORA is today one of Europe's leading forest industries,

Papyrus is a good example of our successful exports into the world market, ie to book and magazine publishers

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only progressive companies prosper.

using hi-tech production methods. Fine paper from

new products.

THE FAST GROWING FOREST INDUSTRY.

a numover of more than SEK 20,000 million and has approximately 22,000 employees. The Head Office is located in Palan, Sweden, FOREST and POWER form the branchers high quality save dimber and lobinsty products. Pulp is toanketed by STORA CELL, BILLERIZO manufactures packaging paper, board and speciality paper. I sprint and magazine paper from KVARNSVEDEN, HYLTE BRUK and STORA FOREST INDUSTRIES. Other mills are BERGVIR KEMI (chemicals), STORALENE (non-worng inks I and the STORA MINE (the Falun Mine, red palm) pigment and sulphut chemicals). All research and development is carried out by STORA TECHNOLOGY

Discovery is a never ending process.

WHEN COLUMBUS DISCOVERED AMERICA, WE HAD ALREADY CELEBRATED OUR BICENTENNIAL.

Forestry mergers

Smoother profits ride

perhaps because its consumers tend not to show wild fluctua-

swings, makes for a rocky profit tend not to show wild fluctuaride and the realisation that
Swedish companies must be large
and strong in the EC market if
they are to fend off competition
from the North American giants
to future.

Pulp prices tend to show cyclical patierns so the greater the
dependence on pulp sales, the
more volatile a forestry company's profit performance will be.

For the past two years, pulp

swedish companies for a rocky profit
tend not to show wild fluctuations in the number of boxes of
tissness they buy each year.

Mölnlycke's position as the
European market leader in
hygiene products was considerably strengthened in January by
the acquisition of Peaudonce, the
leading French disposable nappy
producer, for FFr1.962hn. The
deal will boost consumer product
sales from SKr7.3hn in 1987 to
about SKr11bn in 1988. SCA esti-

reflected in the forestry sector's The deal has also opened up strong profit increases in 1987 and so far this year.

The deal has also opened up the markets which SCA believes are ripe for development, for Demand for pulp is expected to example Greece, and has remain strong in 1988, and anastrengthened its position in the lysts expect prices to continue EC with more marketing outlets. With the advent of the internal market, and Sweden's outspoken

reluctance to seek full membership, one of the worries is that Swedish companies could be accused of dumping if they sell products at a lower price to EC members than in their bome market. One way to avoid such charges is by producing within the EC area.

pean pulp and paper group, made its SKr5.9bn bid in March for Swedish Match, a conglomerate

Stora can supply parts of Swed-ish Match – the doors, flooring and consumer products divisions - with timber and pulp while making use of Swedish Match's tovestment to the chemicals field hleaching chemicals for the pulp

However, the SKr5.9bn agreed bid did not escape criticism. Both Stora and Swedish Match are controlled by Wallenberg family interests: after a number of prob-

deals to the 1980s, buying Bille-rud and Papyrus, two domestic forestry groups before the which is the world's leading match manufacturer, it drew parallels with SCA's acquisition of the Mölniycke division.

The deal makes sense in that Stora can supply parts of Swed-of SKraton. Stora alone accounts for the storage of Skraton. Stora alone accounts for the storage of Skraton. Stora alone accounts for the storage of Skraton. for one-fifth of Sweden'e forestry

exports.

MoDo, which for a long time was the most susceptible of the forestry groups to pulp price fluctuations, chose to huild a broadly-based forestry group by bidding for outstanding shares in Holmen, which is Europe's leadly line holmen, which is easys Mr Berggren, since it leads to a better use of Stora's investment in R&D and capital intensive machinery.

With the present strong demand for pulp and full use of capacity in North America, the Swedes are not affaid that US and Canadian groups will be sell-ing into the European market in ing newsprint producer, and Igge-sund, a packaging and board pro-ducer, in deals totalling SKr6.1bn

controlled by Wallenberg family interests: after a number of problematical years, Swedish Match started to show the benefits of its restructuring and gave signs that profits in 1988 and 1989 would improve significantly — leading some to suggest that the takeover price of SKr5.9bn (edmittedly the largest takeover bid in Swedish history) was too low.

Under the acquisitive eye of Mr

the EC area.

Under the acquisitive eye of Mr ger and more diversified forestry
When Stora, the leading EuroBo Berggren, chief executive, groups is intended to belp stave

off competition in the European market from the North American groups which have the weak dol-lar and lower production costs on

their side.
Forestry exports play an important part in the Swedish economy. Sweden's forestry products account for 20 per cent of its export income. This sector exports 90 per cent of its market pulp, 75 per cent of its paper and board, and 75 per cent of its saw-mill products.

mill products. The EC countries buy 75 per cent of these forestry exports last year amounting to SKr38bn out of a total of SKr54hn. In order to maintain their strong position in that market, size is important,

the immediate future.

However, they realise that they could be threatened if demand in North America drops off. Because of the low dollar, the European market would then look very attractive. In the wake of these recent acquisitions, though, they feel better prepared for competi

The environment

All shades in Greens' clothes »

Green Party in Sweden has, perhaps the first to exploit this strategy of investing in consumer forced the better-established politicians to bend over backwards in sue, consumer and hospital prod- an attempt to out-Green each ucts division which it acquired in other and woo the environmental

The ruling Social Democrats growth of 19 per cent per annum, are extremely worried that the and a much faster profits growth Greens could eater parliament rate than the traditional pulp and after the next general election, paper operations. It has also Over the past months they have given the group more stability, waged an active campaign to

THE IRRESISTIBLE rise of the Green Party in Sweden has, within a sbort space of time, and the early phasing out of the pulp industry) by 60 per cent nuclear power - issues which, at by 1992 (ie from 3.5kg per ton of least in the case of nuclear pulp produced to 1.5kg); power, will have far-reaching in to reduce the release of nutri-

> how far the Social Democrats are metals such as mercury and ca prepared to go to counter the mium by 50 per cent hy 1995 and

> (which today accounts for 50 per tors) by 1994. Their use in aerocent of electricity) would be sols has been benned since the phased out by the year 2010. But in the wake of the Chernobyl companies such as Electrolux accident - which resulted in have said that they are looking at considerable radioactive fall-out suitable alternative on Sweden - the anti-nuclear The proposals failed to satisfy lobby has gained a lot of ground, the ecology movement, though forcing the government to bring whether they will convince the the closure programme forward voters remains to be seen.

the closure programme forward by at least a decade.

For years, Swedish industry has enjoyed the benefits of cheap electricity. In the future, electricity i and energy conservation mea-

per cent of production costs in on the environment.

Earlier this year, Mrs Birgitta

Dahl, the Energy and Environment Minister, presented a series of proposals for dealing with air and water pollution (in particu-lar, sulphur dioxide and nitric oxide emissions which cause acidification of lakes and damage forests through acid rain) and the destruction of the protective ozone layer by CFCs (chlorofinorocarbons). The key recommendations were as follows:

☐ to forther reduce sulphur dioxide emissions (the pulp and paper and manufacturing industries which burn fuel oil are the main

(mainly from traffic and fuel oils) by 30 per cent over 1990-95;

I to reduce the output of chlori-

nsequences for sectors of Swed- ent salts such as nitrogen and phosphorous salts from agriculish industry.

The decision to close two of the ture and industry by 50 per cent country's 12 nuclear reactors in by the year 2000; the mid-1990s is an indication of to cut the emission of heavy

to phase out completely CFC According to the terms of the (or freons which are used in plas-80 referendum, nuclear power tic form and cooling in refrigeraend of the 1970s in Sweden and

out (most probably to be replaced discharges of bleaching chemi-by natural gas or steam turbines, cals to the levels proposed. In future, companies will be obliged to present annual reports of what Electricity accounts for 12 to 25 impact their operations have had

these industries and the government says it will investigate the possibility of allowing subsidies.

Already, sulphur dioxide emissions in Sweden have been reduced by 70 per cent since 1970. Though the Social Democratic
Party now stands firm on its

Order it is less convincional to cut sulphur dioxide and nitric oxide emissions back to acceptance oxide emissions acceptance oxide emissions and acceptance oxide emissions acceptance oxide emissions acceptance oxide emission emissi able levels in Sweden and several millions to phase out the use of freon," says Mr Gillberg.

Even though at least 60 per cent of the pollution in southern Sweden is estimated to come from ahroad (chiefly from the UK, Poland and East Germany), control measures need to be strictly enforced in Sweden, he

In fact, many environmentalists believe the government's recommendations will have no real effect unless passed as legislation, as in the case of car emissions.

From next year, all new cars sold in Sweden must be fitted with catalytic converters which reduce nitric oxide emissions by 90 per cent. This regulation will be extended to trucks and buses in the 1990s although there are she says.



Birgitta Dahl, the Energy and

worries that Sweden could be accused by foreign motor groups

of imposing trade barriers.

Mrs Dahl claims the government is not prepared to compromise on the environmental front. Boliden, the mining and metals company, has aiready been forced drastically to reduce the sulphur dioxide and heavy metal emissions of its Roennskaer plant in northern Sweden by cutting production there at a cost of about SKr100m, although environmentalists claim it is still one of the worst offenders when it comes to the emission of heavy

Boliden tried to win assurances from the government that it would not be hit by tighter pollu-tion controls which "put it at a competitive disadvantage inter-nationally." However, even Boliden's proposals to invest in new mining projects in northern Sweden, providing well-needed jobs in that region, apparently failed to secure such assurances.

Mrs Dahl believes that the onus is now on Swedish industry (in particular companies like Flackt which make air cleaning equipment for factories and industrial plants) to develop new technology which will meet the demands for pollution control.
"We can be at the forefront in this area - it is very likely that the rest of Europe will be forced to follow with stricter controls on pollution and then Swedish com-panies will be able to sell their technology in those markets."

immigrant workers

Laying out the mat

SWEDEN HAS long had - and deserved - a reputation for dren, and gives them free Swedbeing generous to political refuses, bnt it has been far less and free housing until they can the doors wider to foreigners, and receptive to immigrant workers stand on their own feet. from outside the Nordic region who, it was felt, could steal the

grant workers from the Mediter-ranean countries such as Turkey, gees in their community. Greece and Yugoslavia. However, in the 1970s, those applying to come to Sweden were mainly political refugees from Sonth America and South-East Asia.

The Sjöbo authorities claim they cannot afford to house the come to Sweden were mainly political refugees from Sonth America and South-East Asia.

number of refugees of any west-ern European country. The state pays for their basic needs, educa-immigration authorities are sup-

Some tax-payers resent this, especially when it turns out that

However, that could change:
Sweden is now being forced to consider a more open policy towards immigrant workers in view of its acute shortage of labour.

Back in the 1950s and 1960s, local council decided to hold a Sweden accepted a wave of immigrant party workers from the Mediter.

Boundary of the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, the local authorities have agreed to accept refusely and the past, and the past, the local authorities have agreed to accept refusely and the past, a

come to Sweden were mainly political refugees from South America and South-East Asia.

Last year, Sweden accepted about 35,000 immigrants. Of the 18,000 who applied for political asylum, 15,500 were given permission to stay. Most of them came from countries such as Iran, Chile, Ethiopia, Romania, Poland, Iraq and Lebanon.

In proportion to the total population of includes a re clearly worried that other

In proportion to the total populare clearly worried that other lation, Sweden takes the highest local anthorities could follow

perhaps absorbing some of the EC's unemployed. Swedish industry is hampered

who, it was felt, could steal the jobs that Swedes are capable of doing.

However, that could change: for a higher standard of living.

Sweden is now being forced to consider a more open policy towards immigrant workers in the towards immigrant workers in the towards in the could be towards in plained that were it not for the lack of labour, their production levels would be considerably

levels would be considerably higher.

The government has said it will devote more resources to job and language training for refugees, but it realises that many of those seeking political asylum previously held white-collar jobs and are therefore reluctant to switch to blue-collar work.

But as a recent report from the

switch to blue-collar work.

But as a recent report from the Federation of Swedish industries has suggested, many of the 16m memployed in the EC countries have the requisite skills for Sweden's manufacturing industry. It therefore urged the government therefore urged the government to encourage and make it easier in future for EC country mem-hers to find bers to find work in Sweden.



Progress has been made in tackling past serious economic imbalances; the bid to win control of the

country's most prestigious company has been checked; and constitutional changes have finally been agreed. Yet the mood in Belgium is

apprehensive. Tim Dickson explains

Marked sense of uncertainty

IN MANY ways Belgians can be well satisfied with the way things have gone so far in 1988.

In April, following a fiercely exciting four month struggle, the country's financial and business establishment firmly checked the bid by Mr Carlo De Benedetti to win control of their most presticious company Sociéte Générale

In May, after five months of frustrating and at times painful negotiations, the country's political leaders finally secured agree-ment on a plan for far-reaching

analysts and other crystal ball gazers were suddenly of the view that the country's short-term economic prospects were looking bright.

European market.

This preoccupation with 1992 cit has been cut from 13-14 per cent of Gross National Product at the start of the decade to 8-9 per sufficiently regained its competitive to the start of this year and a targetted analysts and other crystal ball European market.

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ATTE STEP

are concerned that while the trade.

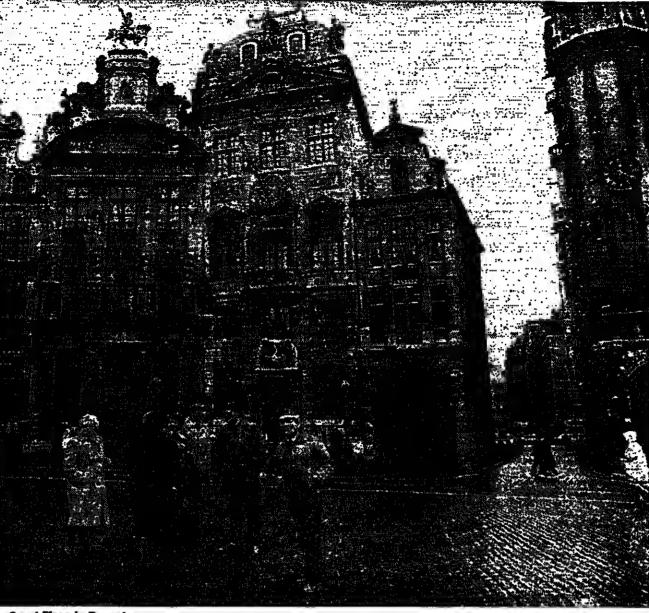
by the new coalition may be an inevitable consequence of the deep-rooted linguistic divisions between Flemings and Walloons and a necessary step along the road to greater political stability, the country is more than ever in danger of falling apart.

· That may matter little, say some, if the trend in Europe answers to these questions, there towards a stronger regional polis no denying the progress which icy continues - and national loy- has been made in tackling the alties elsewhere start to loosen - serious economic imbalances of but others worry that the late 1970s and early 1980s. so-called costs of "non-Belgium" Thus a balance of payments devolution and constitutional (higher borrowing costs on interchange.

And in June, six months into a year which started with little in the way of good economic cheer, analysis and other and oth

Nowithstanding these reasonting signs, however, there is a partners after the oil shocks of marked sense of apprehension: the 1970s? Will a more open interand uncertainty in Belgium, both has always lived on its exports to being pursued by the new government and about the medium to long-term competitiveness of the underlying economy.

Many in Brussels for example, der controls and other harders to



The Grand Place in Brussels

If no one yet knows the deficity of BFr200bn in 1981 has this year and 1989 (recently ever, the otherwise "business friendly" (bedrijvsvriendelijk) rent account surplus (likely to be of some positive noises from the order of BFr100bn this central bank) are nevertheless right governments of Mr Wilfried

ment over the last couple of

encouraging indicators given the poor performances of recent

"If there is a slowdown in the world economy, Belgium is not in such a bad position," maintains Notwithstanding these reassur- tivness visd-vis its European 7 per cent for 1989; the company Mr Peter Pract, chief economist sector's profitability and finan- at Générale de Banque. The corcial position has sharply porate sector's overall long-term improved, while even unemploy- debt to equity ratio and the household sector's debt to disposmonths has registered a signifi- able income ratio have come right down and I am confident that the central bank will contacular by comparison with some tinue the strong currency policy of Belgium's competitors but for the Belgian franc."

As Mr Praet points out, how-

Martens have only started to tackle the huge problem of Bel-gium's accumulated public sector debt (equivalent today to almost 130 per cent of GNP). The near BFr200bu of public sector cuts agreed in 1987 represented an impressive political achievement but they went nowhere near far enough in breaking the so-called "snowball effect" whereby extra government borrowing is needed just to keep up interest payments on the debt.

. Budgetary affairs is one key area of economic policy which will be kept under close scrutiny

as business leaders try to assess the priorities of Mr Wilfried Mar-tens' new, centre-left coalition. The inclusion of the French and Flemish speaking Socialists (the internal market" created by the PS and the SP) as well as the two 1958 Renelux Union - but few middle of the road Christian Democrat parties (the CVP and the PSC) and the Flemish nation-alist Volksunie has inevitably

There is much talk, however, Metal working, chemicals, food

CONTENTS

Profiles: Jean Luc Dehaene Philippe Moureaux; Anne-Marie

Labour: Workforce flexibility

Antwerp: Port city of diamond Cultural diversity: History cosmopolitan influences The textile industry: Material

KEY FACTS

	المراجع
Population	9.9m
Area	
GNP per capita	BF:520.600
GDP	
Trade	
Exports	
Imports	RE/3 08E 3h
Correct account balance	BE405h
Structure of merchandise exports (% of total)	
	47.5
Production goods	
Equipment goods	
Durable consumption goods.	19.0
Non-durable consumption goods	
Others	0.5
Structure of merchandles Imports	
Production goods	48.3
Eminment Foods	24.5
Durable consumption goods	11.2
Non-durable consumption goods	15.2
Others	3.0
Debt service as a percentage of GNP	10.6
Average annual growth rate %	1.7
Average annual rate of inflation	1.6

of the new "realism" which has and textiles are still the country's crept into Socialist thinking since top four sectors in terms of conthe party was last in power in 1981. The government programme specifically speaks of the from low cost European competitions.

the country's competitiveness.

It is the challenge of the barridrastic action is not taken Belgium, relatively speaking, could be a loser come 1992. That would and its experience in the "mini deny that the dangers are there.

One may be the lack of major companies able or willing to oper-ate on a European scale (Petrosparked off fears in some circles fina and Solvay would rank that the gains of the last six among the notable exceptions), years are in danger of being though Mr Praet is confident that A key test will be negotiations nesses (of which Belgium has over the 1989 budget. Recent many) will be strongly placed if noises from the new Budget Min- they are prepared to make the ister Mr Hugo Schiltz suggest necessary adjustments. Another, that he is determined to find the notwithstanding some valuable necessary cuts (around BFr80bn) niche markets like billiard ball necessary cuts (around Bersoon) mone markets are unhard pan to meet the government's com-manufacture (where Belgium is mitment to a deficit of 7 per cent the world leader), is the heavy of GNP next year. On the other emphasis in Belgium on low mar-hand, his disclosure earlier this gin transformation of finished month that the 1988 deficit will goods and the preponderance of be no lower than 8.5 per cent has traditional (if in some cases gian insurance concern Groupe newly resurgent) industries.

international constraints on a tors like Spain and Portugal is small, open economy like Bel- obvious. The competitive handiginm and new legislation is cap of a top heavy public sector planned which would enable the (a little less than 1m workers out Government to intervene in cer- of a total 4m active population), tain circumstances to safeguard industrial subsidies equivalent to the country's competitiveness.

5.5 per cent of GNP (of which 2.1 It is the challenge of the barri-per cent per year go on railways er-free market which highlights and post) plus a philosophical the need for improved efficiencies distaste for privatisation, may and is creating anxieties that if well become more visible over

the next five years detti's raid on and subsequently unsuccessful attempt to take over be ironic given Belgium's central unsuccessful attempt to take over role in the development of the EC Société Générale de Belgique could be equally significant in this context. True, he and his cohorts at times displayed a cavalier disregard for Belgian sensibilities, understandably acute given the historic importance of the company in the country's industrial development and its pivotal influence over perhaps 20 to 30 per cent of the Belgian econ-

Privately, however, even the most crusty members of the Belgian establishment admit that "La Générale", as the company is affectionately known, is due for a

Some sort of compromise between the Italian and the company's controlling shareholders led by Paris-based Compagnie Financière de Suez and the Bel-AG still looks likely in the end -Continued on page 2

What kind of company would want to set up in Belgium?

BAYER - BELL TELEPHONE - BLACK & DECKER - BOSCH - BRITISH CASTROL - CATERPILLAR - CBR - CHAMPION SPARK PLUG - CIBA-GEIGY

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Steady move towards a federal state

IF THE present government has its way, the Belgium of the 1990s will rank with the US, Switzerland, West Germany, Canada, Australia and other states of a genuinely federal nature.

Directly elected assemblies of the country's two linguistic communities. Dutch and French.

Directly elected assemblies of the country's two finguistic communities. Dutch and French-speaking, and three regions, Flanders, Wallonia, and Brussels, will take charge of education, culture, and most aspects of public transport and works, and environment. At their disposal will be 35-40 per cent of total public funds. The national legislature will be reformed to give the Senate the regional flavour which a second chamber usually has in a federal system. A constitutional court will rule on conflicts between local and national court between local and national court will rule on conflicts between local and national court will rule on conflicts between local and national court will rule on conflicts of course, the language division. Thus, devolution of power goes furthest on linguistic issnes. According to the planned freforms, Belgium will no longer have a national education minister from next January. Instead, it will have two "community" education ministers.

But, even before the linguistic tensions of the post-war years, a high degree of decentralisation had developed in Belgium around the unit of the commune. The 589 communes (308 in Flanders, 222 in Wallonia, 19 in Brussels) are everyone's principal point of courted with the Belgian state. They

believes Professor Francis Del-perée, a constitutional expert at should be shared out between the Louvain-La-Neuve university. regions. The previous key was a "You would now have to be blind third land area, a third popula-tion and a third income. Wallonia and the relatively better out of this

The most striking thing about the proposed reforms is the size of the financial transfer

BFr90bn annually, to finance investment in, and operation of, public transport, public works and job creation programmes; some BFr70bn from the Fond des some BF770bn from the Fond des Communes (a revenue-sharing scheme); and the BF762bn they were already getting in central government grants. The Commu-nity councils will get (again on 1988 figures) some BF7280bn in new money each year to fund education, plus the BF772bn a year they were already receiving from central government. The grand total comes to nearly 40 per cent of the national budget. The major innovation, bow-

did relatively better out of this because its relatively smaller and The regional councils will get poorer population was spread (in 1988 budget terms) some over a relatively larger area. The

regional collection of national

This would, in theory, greatly benefit the richer Flemish who pay 58 per cent of all Belgian income iax, compared to 12 per cent for the Bruxellois and 30 per cent for Walloons. At present there is a substantial transfer of resources from Flanders to Wallonia (with Brussels more or less paying its way). For instance, public works spending is apportioned with 49 per cent going to Flanders, 17 per cent to Brussels, at per cent to Wallonia; capital investment goes 53 per cent to Brussels investment goes 53 per cent going to government. However, there are really only 8 out of will all be put into operation—

There are really only 8 out of will all be put into operation—

"If not today, then tomorrow, or in 10 years time". Belgium is fated to go federal.

Wallonia down gently", there is to be a levelling payment out of the national budget. This will make up the difference between Wallonia's lower regional average payment per capita of national income tax and the higher national average. Flanders just about matches the national average, with Wallonia about 95 per cent and well-beeled Brussels

This corrective will give the Walloons about BFr8hn extra a year than they were already getting, according to one of Mr Dehaene's team who worked all the sums out on a computer as part of the deal forming the new government. However, there are

Flanders, 11 per cent to Brussels French speaking (43 per cent) and and 36 per cent to Wallonia, and Flemish speaking (57 per cent) the spread of the Fond des Communes is 53 per cent to Flanders, the Flemish tend to finish their cent to Wallonia.

But in the interests of national solidarity, or what some Flemish-speakers refer to as "letting by actually gain from the new Wallonia down gently", there is to be a levelling payment out of time of some BFr3bn a year. tune of some Bfr3bn a year.

Apart from finance, the second major achievement is the apparent agreement on Brussels. A regional council was agreed for Brussels in 1980, but never implemented. It is now agreed among the government coalition parties that Brussels should have the same representational structure same representational structure

Profile: Philippe Moureaux

French-speakers (often foreigners). Their delicately-negotiated bilingual status has now been reconfirmed. The two others are the Fourons (predominantly francophone in Flemish Limburg) and Comines (with some Dutch speakers in francophonia Hainault). Mr Dehaene's clever pallative here has been to maintain the existing regional boundaries, but to let people in these communes wote across linguistic fruntiers for European and national elections.

At the national level, a linguis-tic balance now always prevails between the number of French and Flemish-speaking ministers in the cabinet, with the addition of the prime minister who is now (almost traditionally because of (almost traditionally because of demography) a Fleming. But the government is pledged to reform parliament, so that the regional and community balance is properly reflected in the legislatura, particularly the Senata. This erly reflected in the segmenture, particularly the Senate. This body at present has a rather ran-dom composition with 106 direct-ly-elected senators, 51 chosen by provincial councils, 26 chosen by the first two categories of Sena-tor, plus Crown Prince Albert.

All this reform may take time. But Mr Delperee believes they will all be put into operation - if not today, then tomorrow, or

Profile: Jean Luc Dehaene

Discreet power behind the marriage



workaholic, 48-year-old Mr says.

Dehaene who, designated by the This sort of discretion stood are always coalitions, and up to King as formateur, laboured for him in good stead when, on Janumore than three months to put ary 22, he took over the negotiations, which made it risky to together the marriage that pro-

duced the five-party coalition. He has, by no means, been denied all reward. He has the national ministerial portfolio of claims he knew from the outset timal Reform (on behalf of Belinn's Dutcherockers) with the tional Reform (on behalf of Beltinat the coalition talks would be gium's Dutch-speakers), with the rank of Vice Prime Minister. This makes him one of the top five nearly five months — a record people in the new government, and the second ranking minister in the Flemish Christian Democrat CVP party, behind Mr Wilfried Martens himself.

The left gaining in Wallonis.

point — as the chances of a five— at the expense of the centre. This party—government—slowly—divergence reinforced the need point — as the chances of a liveparty government slowly divergence reinforced the need increased through the long for further regional devolution of spring of negotiations, but before power. But the requirement for a "everyone was surprised that we made such progress on the constitutional reform made inclusion ready to take the helm again — when Mr Dehaene thought he when Mr Dehaene thought he was going to get the job himself. He does not deny that outright, personal contacts by the CVP, hut says. "I never worked with the aim of becoming prime minister."

In the coalition negotiations, will be "a very strong anvance on what was achieved in 1980" and what was achieved in 1980" and what was achieved in 1980" and what was achieved in 1980 and will leave Belgium with "a truly who is noted as a keen political federalist structure." But he tactician, enjoyed a long minister of the process" and that the new warms that "there is never an end to the process" and that the new warms that "there is never an end to the process." And it is francophone sister the regions should be financed.

This was the minister.

In the coalition negotiations, will dearn leading minist ter. I always thought Martens during the Socialists' long would be the best, though I was (1981-87) exclusion from power, not always certain he would take Mr Debasse claims.

IF THERE is one person who can to step down definitively, would tured relations between govern-claim credit for creating Bel- Mr Dehaene like to assume the ment and opposition in Belgium, gium's new government, it is the Martens mantle? "We'll see," he compared with what you have in

ment, after last December's

ed Martens himself.

But there must have been a but the right gaining in Wallonis,

the job again."

This was not surprising, he
If Mr Martens were sometime says, given "the lack of struc-

opposition. Even during the relatively stable post-1961 period, the cold shouldering of the opposition continued, Mr Dehaene says, partly because many in the CVP, including Mr Martens, had found their partnership with their pre-1981 partnership with the Socialists an unhappy experi-

Mr Dehaene was clearly the right man to re-forge links with the left. He readily confesses to being on the left of the CVP, with strong ties to the christian trade unions and with six years (1981-87) service as social affairs

This was the most difficult technically. But, with the help of a personal computer, Mr Dehaens succeeded in persuading the French-speakers that relying purely on central government grants would not bensit them in the end; and his fellow Flemish speakers that, in every federal system in the world, there was some element of redistribution, and that in Belgium it would be unfair for richer Flanders and poorer Wallonia to pay local services purely out of local taxes.

The second "miracle" was real-The second "miracle" was real isation by all concerned that the time was ripe for a deal on Brus sels, the capital city that has roughly four French-speakers to every Flemish-speaker. It took, Mr Dehaene claims, the

recession of the early 1980s, which Flanders weathered better than any other region of the country, for the Bruxellois to realise that their city could not stand apart.

ALL EC states have a minister Belgium has gone so far as to designate formally a Minister for stand apart.

Belgium has gone so far as to designate formally a Minister for European affairs, but only the is Amedian Lizin, and

Political tactician when five months of hard political bargaining between Belgium's major parties finally paved the way for a government accord last month, most commentators assumed that Mr Guy Spitaels, a solemn sociology professor, would emerge as the leading Socialist personality in Mr Wilfried Martens' new team. In the event, however, it was a 49-year-old Professor of Modern History, Mr Philippe Moureaux, who was sworn in as the vice Prime Minister for the Parti Socialiste (PS), as well as taking on responsibility for the Brussels region and (on the Francophone side) the key challenge of institutional reform, "The essential task of the new government is to make a decisive step along the road to federalism," he maintains, referring to the plans for transferring further powers to the regional antiforties. "As a Brussels man, I also see a chance to give the capital the true status of a region, with its own autonomous powers and adequate financial resources." Mr Moureaux points out that the five-party coalition — easily assured of a simple majority in Parliament — should be an "element of stability" in pursuing the government's economic policies but that "it is hard to see how the government can do its job

King's first formateur earlier in the year, chose to remain Presi-

the government can do its job
Mr Spitaels, who struggled in properly without the two-thirds
vain to form a coalition as the majority needed for the proposed
King's first formateur earlier in constitutional reform."

He believes that, if put into



Profile: Anne-Marie Lizin

Frontiers to cross

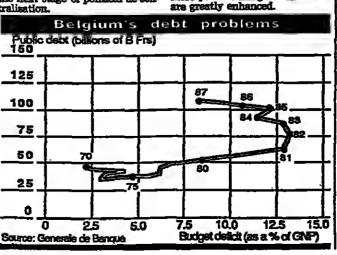
Continued from page one but a more important trend may be the way in which other public-ly-quoted companies (the chemical groups Solvay and UCB and the supermarket group GB-In-no-BMO have introduced "poison pill" share issues unashamedly designed to deter predators. "This has been a big disap-pointment for the Stock Market,"

stockbrokers Dewaay. In February everybody was looking for the next story, hoping that com-panies would use Belgium as one of the last areas of financial free-dom to build up their strategies for 1962. But it hasn't happened. Just as the political parties-were too preoccupied by their own discussions to play a signifi-cant part in the Societé Générale affair, so the new coalition looks destined to concentrate most of its energies on pushing through the next stage of political de-cen-

The optimists hope that implementation of the plans to make education a regional responsibiltty, and to put 35 to 40 per cent of public funds at the disposal of the regional authorities, will defuse the tensions between the two communities, prolong the life of governments (on average just 16 months since 1920), and end pointment for the Stock Market," the situation where the mayor of observes Mr Andre Beier of a small Flemish commune (Mr

Jose Happart) is almost as inter-nationally resowned as the coun-try's Prime Minister.

The problem of Voeren (or Les Fourons), which finally brought Mr Martens' last coalition to its knees last October, has still not been fully resolved but with Mr Happart's Socialist supporters now in government (and thus less inclined than before to use him as a source of political insta-bility) the chances that Beigium will now be able to present a more positive image to the world



She is Anne-Marie Lizin, and her post is attached to the Por-cign Trade Ministry. This Socialist mayor of the Walloon town of Huy, and former Euro-MP, now has the task of launching Belgium into a Europe without fron-tiers.

In fact, crossing frontiers is something of a speciality of Mrs Lizin's. She is best known in Belgium for her celebrated escapade in 1986, when she travelled to Algeria under a false name (Belgian mayors issue pa intervene in what the British popular press calls a"tug-of-love"

An Algerian father had taken his children out of Belgium and away from their Belgian mother, as be had the right to do under of education, such as mutual reclamic law, but not under Belgium of diplomas, are now matters of EC competence. But

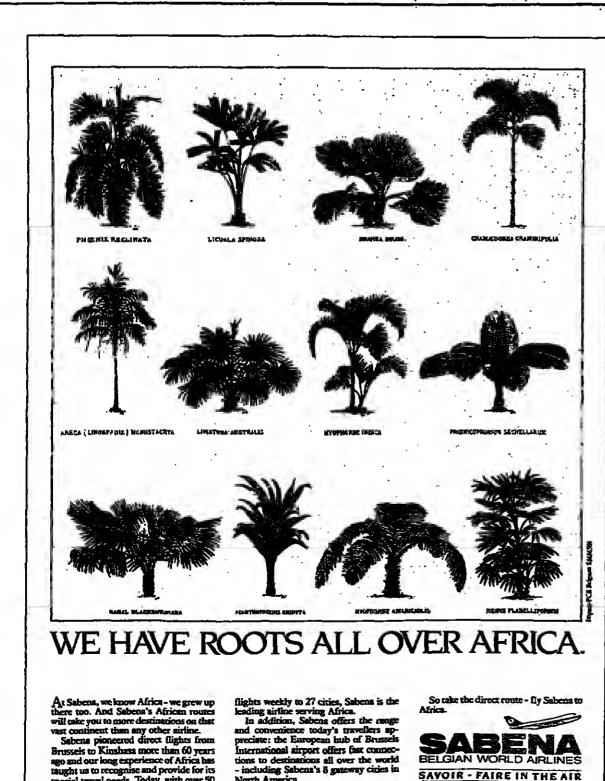
require new ways of co-ordinating the Belgian position in the



as be had the right to do under islamic law, but not under Belgian. The Lizin intervention helped to create better child custody arrangements between Algeria, and Belgium and France, and Mrs Lizin now claims good relations with the Algerian government.

There are other frontiers — of the delicate departmental kind—to be negotiated in the creation of any 1992 ministerial post. Cynics might say it was only created to give one more job to the Socialists. Certainly, Mr Leo Tindemans is less than thrilled to cede his foreign ministry's traditional role in co-ordinating European policy to an outsider. At present it is the responsibility of Mr Paul De Keersmaeker, who doubles as minister for EC affairs as well for agriculture; but he retains an organisational link with the foreign ministry.

Creation of a 1892 portfolio would lead to turf-hattles in any government, and there is a special reason why Belgium could use a trouble-shooter. Further devolution of power on to the regions — to which the Martens government is committed — will require new ways of co-ordinating the Belgian position in the Cavid Buchen.



BELGIUM 3

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The state of the s

SHORTLY AFTER midday, on an otherwise unexceptional Monday in mid January, Mr Rene Lamy, Governor of Société Générale de Belgique, calmly announced that Mr Carlo De Benedetti had built up an 18.6 per cent stake in Belgique, and most reception of the second stake in Belgique.

gium's most powerful and presti-gious business institution.

could have predicted that this

struggle which had European

ground which at times made Wall

With Mr De Benedetti and his

followers still knocking at the door, despite the cold shoulder

the wider effects on Belgium are

already starting to become clear.

growing national paranota about

Perhaps most important is a

the edges of their seats.

Street look tame.

No one then (least of all an initially complacent Mr Lamy)

GROWIH MAY alow just a little the average estimate of each of which have been revised was to influence the delicate which, coupled with the margin-cent in 1989; Belgium's export this year and in 1989 – but unless the DS acts more quickly than expected to tackle its budget and trade deficits, the outlook for the Belgian economy looks reasonably promising until 1999.

With just one exception that seems to be the broad consensus of the Forecasting club of Belgian — their last month's predictions are summarised in the accompanying table. This shows

Highest 2.0 -2.0 4.9 6.9 -6.3 3.0 3.8 4.4 1.5

23 -1.1 6.0 7.5 -3.0 4.0 4.3 5.2 1.8

negotiations at the time between ally lower growth rates suggests the would-be coalition partners. a modest improvement in pro-Interestingly, most forecasters

VOLUME INCREASE/DECREASE (%) FOR LEADING INDICATORS

growth rates of less than 1 per cent at an earlier stage last year. Other encouraging signs for the next couple of years are the

ductivity; and a current account were also unduly pessimistic balance in the region of about 1987 and had pencilled in BFr100bn.

0.3 3.0 3.1 1.4 3.4 3.4 9.8

With imports and exports in Belgium equivalent to 68 per-cent of GNP much will depend the next couple of years are the control inflation, expected to the international situation. The forecasters are reckoning remain around the 1.5 per cent that world trade will grow mark for this year and next; the around 5 per cent in 1987/88, and alight increase in employment between 4.25 per cent and 4.5 per

marksts will have grown between 5 and 8 per cent last year, but will only advance by 4 to 6 per cent and 3 to 5.5 per cent in 1988 and 1989 respectively, the Belgian currency will fall from BFr37 to the US\$ in 1987 to BF734.5 in 1988 and to BF733.5 in 1989, and the oil price will dip from an average US\$18 a barrel last year to US\$17 this year and

Belgian businesses have moved fast to plug gaps in their defences

2.5 -0.3 6.4 8.0 0.0 5.4 3.6 4.0 1.7

Final chapter to be written



group, Royale Belge, by Paris- as a launch pad for their 1992 based Axa caused considerable ambitions. alarm later in the year, until the French intruder was safely seen off by a combination of Groupe control the agreed bid for Belgium's prized chocolate maker

Cote d'Or by the Swiss food ances de Paris(UAP).

The standard about the belgian pusinesses thembusinesses them

gium's prized chocolate maker Cote d'Or by the Swiss food group, Jacobs Suchard, early last year, foreign takeovers in Belaccount, and guarantee an "ancrage Belge" (Belgian

the De Benedetti operation (suc-cessful or unsuccessful) would focus attention on the openness treatment they received from the majority shareholder camp at April's extraordinary general.

The hostile assault on the stock of the economy and the lack of takeover legislation; thereby paving the way for a space of other bids, as European companies took their cue and chose Belgium as a lameh had see the lack of takeover legislation; thereby paving the way for a space of other bids, as European companies took their cue and chose Belgium as a lameh had see the lack of takeover legislation; thereby paving the way for a space of other bids, as European companies took their cue and chose Belgium as a lameh had see the lack of takeover legislation; thereby paving the way for a space of other bids, as European companies took their cue and chose Belgium as a lameh had see the lack of takeover legislation; thereby paving the way for a space of other bids, as European companies took their cue and chose Belgium as a lameh had seen written. But

Such predictions, however, appear to have been misplaced since Belgian businesses them-

chauvinism and who underestiments in a country widely considered to be politically weak and lacking any real national identity. Most analysts and commentators in Brussels thought that the De Benedetti manufacture of the warrants, UCB's is equivalent to the exercise of the warrants, UCB's is equiv

Other Belgian companies such as Delhaize have increased their authorised but unused capital in what have been widely seen as precautionary moves to fend off unwelcome predators, while friends of Petrofina, Belginm's biggest company, are thought to have been bolstering their stake through purchases in the share As one leading analyst put it, however, "the bond issues are the

neatest solution - they are simple, legally clear, and can be trig-gered without resorting to authorised capital."

A clue to the thinking of Sol-vay, which would already seem

and (as the Belgian business and financial establishment saw it) son pill" convertible bond issues 25 per cent known to be in the the Italian's unwillingness to take Belgian sensitivities into account, and guarantee an approach.

Imno-BM, which have made "poi-ing of Solvac and the additional 25 per cent known to be in the hands of the family, was provided by Baron Daniel Janssen, chairman of the executive committee approach.

In GB-inno's case the issue is of the company at last month's

> The use of "poison pills" was strongly criticised at a separate seminar on takeovers last month by both Mr Jean Peterbroeck. President of the Stock Exchange Commission and by Mr Robert Witterwulghe, a leading aca-demic specialist in the subject at the Catholic University of Louvain. On the same occasion, Mr Philippe Maystadt, formerly Belgium's Economics Minister and Minister of Finance in the new Government, indicated that the

ances de Paris(UAP).

defences. The most interesting
But this was nothing beside examples are the chemicals comthe sheer boldness of Mr De panies Solvay and UCB and the
Benedett's bid for La Générale leading supermarket group GB
A clue to the thinking of Solvay, which would already seem
well protected through the 245
Minister, has said that a law
per cent family-controlled holdrequiring companies to disclose over legislation.

authorities would have to con-

sider the whole question of take-

share stakes above a certain size, will be brought forward ahead of the summer recess but so far no details have been disclosed.

As yet, the future for Société Générale de Belgique itself is far from clear. The shoot out at April's EGM between Mr De Benedetti, on the one hand, and the rival Franco-Belgian camp led by Compagnie Financière de Suez of Paris and Groupe AG, on the other, has been followed by a period of no doubt deceptive calm, with strategic decisions awaiting the arrival of the new chief executive.

Whatever happens it looks as though some companies in the Société Générale portfolio there are more than 1,200, many effectively controlled with small minority stakes - are going to pursue a more independent line and rely less on strategic guid-ance and financial backing from La Générale's headquarters, The closer link established between Générale de Banque and Amro Bank of the Netherlands earlier in the year may not be an iso-

lated example,
Meanwhile, given the high
price paid for SGB shares during the battle, analysts are certain that the company will be forced to sell off parts of its straggling business to bolster the returns to the new owners. This has pro-vided the only bit of speculative froth for the Stock Market, with the holding company Sofina and the shipping group CMB among those to have been mentioned.

Labour

Flexible times

certainly concede that the possitive agreement, is respected over bilities for weekend working/ a 13-week period. night shifts and seasonal patterns of production are among Human and Social Relations at steadily and culminated in a cen-

It is still too early to quantify the effect of this measure indeed the take-off of the new social security and other costs of employing labonr. Some even consider that job flexibility could been a feature of the last few

Altogether there have been three initiatives over the last six duce weekend work (previously this activity or, with the help of forbidden except on "technical" more flexible working, we attack grounds), night work, or longer the small companies." shifts on certain days. According to Mr Arnout De Koster, social department adviser of the Federation des Entreprises de Belgique (FEB), the opportunity was take up by 66 businesses which had to show that employment at their plants would increase. Mr Kos-ter's figures indicate increases in the workforce of companies in the metal, chemicals, wood and food sectors of the order of 6 to 7

The next law (in 1985) covered seasonal working, permitting a workers will understand," he flexibile working week of up to 45 says. hours without overtime pay-ments (compared with the normal legal limit of 40 hours), pro-vided that the extra hours were compensated later. Around 100 companies in 10 industries are believed to have taken advantage of these provisions.

The 1987 legislation – which is much broader-ranging than any-

IN WHAT could be seen as a sort thing hitherto — allows Sunday of backhanded compliment, Beland bank holiday working under gium's laws on flexible working any circumstances, nightwork were attacked at last month's (exclusively for men), and up to a conference of European trade 12-hour working day without any unions in Sweden as being too weekly limit, provided that the

generous to employers.

Major multinational companies

average working week, as determined by the law or local collec-Mr Robert Wauters, Director of

the most attractive in Europe. the leading flat glass producer Pioneered by the then minister of Glaverbel, says one of the key labour Mr Michel Hansenne in advantages of the new legislation late 1982, the number of experiis that deals can be struck ments at plant level expanded between companies and nnions without any authorisation from tral agreement between employ-the government. Glaverbel has ers and trade unions in mid-1986 used all three schemes, introduc-(translated into new legislation ing the 1982 provisions on weekin March last year).

It is still too early to quantify glass department (90 new jobs were created immediately and 193 were added between 1983 and law appears to have been slow — 1986), seasonal working in its but economists consider that it is double glazing division (where an important weapon in improving Belgium's competitivity and tected), and four 10-hour shifts countering the relatively high Monday to Thursday under the 1987 legislation for employees in

its development department. Seasonal work on the double be playing a part in the marked glazing side, says Mr Wauters, fall in unemployment which has has been a key weapon in attacking Glaverbel's previously high costs and poor service which was allowing small, family-owned businesses in Benelux to increase years. Mr Hansenne's project their share of the market. "We exempted from the normal rules told our unions that there were companies that wished to intro-two solutions – either we reduce

Trade union reaction to the schemes has been mixed - there have been reports of a certain amount of soul searching inside the instinctively more sympathetic Christian union - but Mr Wauters insists that the secret lies in dealing with plants on a case-by-case basis (a couple of negotiations at industry level have recently failed) and that there must be a clear economic justification which is clearly explained. If it is genuine the

the Socialist and Christian Unions are now "quite positive in negotiations - they realise international competition is a reality – and that it is the employers who too often "lack imagination".

Tim Dicionon



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BELGIUM 4

William Dawkins focuses on Antwerp

Port city of diamonds and high technology

rest of Europe

years. He is also negotiating to

nese car company" to occupy a plant now being vacated by Gen-

eral Motors, which is concentrat-

merce, adds: "We are Belgium's window to the outside world."

ANTWERP, Belgium's main port dant, the same cannot be said of city, prides itself as the dominant the biggest in the constellation, symbol of the shift of prosperity Bell Telephone, for long the city's

Traditionally, Antwerp's eco-nomic power as provider of a quarter of Belgium's exports and just over a tenth of its Gross National Product has derived

First is the port, Europe's sec-ond largest after Rotterdam, though it beats its bulk-orientated Dutch rival as a handler of general and container cargo.
The port provides 80,000 jobs. representing well over half of

local employment and output, if all the service and local manufacturing activities associated with with the rest of Europe and its it are taken into account. These big industrial base mean that the include multinationals such as city's leading figures are optimis-General Motors, which has its tic about the future particularly main European plant at the quayfor the role it could play as a
side, and its neighbours Ford handler of trade in the European
Tractor, and the chemical Community's progress towards a
operations of BASF, Bayer, Monfree single market in 1992. santo and Solvay among others.

Second is the diamond trading exchange and the 1,500 small cuttion companies in the next few

together buy, process and sell attract "a very important Japa-some 85 per cent of the world's nese car company" to occupy a rough diamonds, representing a turnover of \$8.7bn last year. To those two legs now can be added a third; the 25 or so small high-technology companies that have emerged around the city in recent years, some to service local manufacturing industries. An example is Telindus, the data

ting and polishing companies

clustered around it, which

communications company which three years ago became the first to join the Brussels junior stock If their stars are in the ascen- Among the regional incentives

port he cites three to five-year tax holidays, 15 to 25 per cent reductions on long-term leases symbol of the shift of prosperity from the French-speaking largest single corporate southern half of the country to the Flemish north.

In many ways the symbol fits amply, though that is not to say that this highly cosmopolitan city is without its political, financial and even ethnic challenges.

Traditionally Antwerp's eco-(the city authorities prefer not to sell freehold) and capital grants, depending on the nature and size of the business.

city has its challenges. The diamond industry is struggling to maintain its competitiveness against often subsidised cutting and polishing industries in lowss, Antwerp's excellent road, rail and canal links wage South East Asian countries, and there is the impact of the declining dollar, in which gams are priced. "It is not easy when Usefully for 1992, Antwerp has a sound we pay our suppliers in cash and sell on credit, often with no col-lateral," says Mr Abraham Fis-chler, president of the diamond industrial base as well as excellent road, rall and canal links with the

> While the Antwerp diamond trade's total turnover jumped by nearly 24 per cent last year, prices are still struggling to make up the ground lost in the dia-mond crash that followed a speculative boom in 1980. "Unlike the flourishing trade

the industry went through hard times," says the latest annual report of the Diamond High Council, the industry's representative body. Accordingly, the council has been negotiating with the government for the past three years for a plan to safe-guard small diamond polishing companies, including possible cuts in employers' social security contributions and longer working ing its Antwerp production in hours to bring costs more in line with overseas competition.

If the diamond industry is pre-

one factory.

"If you want to be in the business of distributing products or ideas, then Antwerp is very well occupied about the costs of doing business, Mayor Cools is deeply worried for similar reasons about placed to reach the heart of the Common Market," he says. depopulation of the city centre and the consequent erosion of the city authorities' tax base. More than 10,000 of Antwerp's just under 500,000 inhabitants, Mr Raymond Lhonneux, chairman of the Chamber of Com-

mostly prosperous professional

Antwerp: Our Lady's Cathedral

have moved out of the city in the past three years to take advan-tage of the lower, sometimes non-existent, local taxes in neigh bouring dormitory towns such as Zwindrecht or Brasschaat

Local authorities are allowed to charge a premium above national income tax rates to fund local infrastructure and services. While Mr Cools did engineer a small cut in local taxes recently. from 9 to 8 per cent, that is still a significant extra burden for an individual whose average income

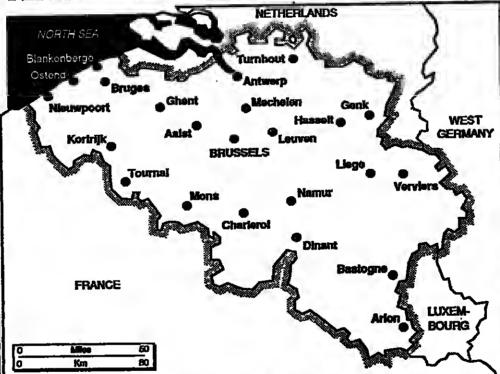
tion on and off throughout his reform the budget in the early to impressed this administration, the situation last thing Mr Cools wants is to orities.

see the benefits of his reforms undone by the emigration of rich

"We feel it's unfair for people to hide away in towns like that so that they pay less in taxes," he adds. The answer, he argues, is to assess individuals' tax liability on their place of work, rather than where they live - a change he estimates would automatically add BFr2bn to the city's BFr30br budget income.

So far the efforts of Mr Cook and his counterparts in far more financially-troubled cities such as tax rate is already 47 per cent.

Mr Cools has been lobbying liège and Gent have been fruitnational government for a soluless. The only glimm's less. The only glimmer of hope on the horizon is that Belgium's five and a half years as mayor. new government has included Having made a major effort to proposals – as yet undefined – proposals – as yet undefined – to improve the cities financial situation in its official list of pri-





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BELGIUM 5

Antwerp's docks

Building for growth

moorings sprawling along the River Schelde, dwaring the town at the port's southernmost extremity.

For Antwerp is Europe's second-largest port after Rotterdam for all kinds of cargoes and its largest for general non-bulk traffic. As such, the city's cargo handling, transport and service industries should be supremely well placed to take advantage of the extra international trade which is expected to result from the European Community's plan for a harrier-free internal market by the end of 1992.

yet the end of 1992.
Yet the port's ambitions to
open new docking areas for 1992
are being blocked by a complex
political wrangle with the
Netherlands which has a border
that nearly touches the harbour's

northern edge.
Currently the port handles between 80m and 90m tonnes of cargo a year, about 40 per cent of which is general cargo-container traffic and small loads from kiwi

the mind of Antwerp's business which Antwerp specialises. Its turned its attention to the east community these days. The rea- main rival, Rotterdam, which bank, where it aims, the Duich son is the 80kms of docks and specialises in oil and bulk cargo. government nermitting to die specialises in oil and bulk cargo, government permitting, to dig a handles about five times Antwerp's volume. area to the Schelde estuary While the Belgian port is across the border,

unlikely to catch up with Rotter-"Any work needs Dutch dam, it is planning for steady authority, but unfortunately any growth in the years ahead and improvement can be seen as complans to capitalise on its good petition with Rotterdam," says international links and highly-de- Mr Bob Cools, Antwerp's mayor. veloped customs clearance Officially, the Dutch govern-systems in the run-up to 1992. It ment says it will give permission is within 350km — a day's drive if Belgium improves the water — of 100m consumers served by a quality of the Schelde and of the web of motorways converging on Mense, inland to the east. But web of motorways converging on Mense, inland to the east. But Antwerp, has a canal link to the unfortunately for Antwerp, the Rhine and a railway terminal upper reaches of the Mense are in offering 12 international lines. It french-speaking Wallonia and is the largest rail port in Europe. To cope with the expansion it expects, Antwerp is building a rounental improvements that new terminal to handle 600,000 an already prospernus city in

containers annually by April 1990 an already prosperous city in at a cost of BFr3.5bn. It is also rival Flanders.

constructing what will be the biggest sea look in the world, due to Europe's drive to create a free open next May.

But beyond that there is no ing an increasingly sensitive room for physical expansion on the Schelde's west bank, where

William Dawkins

the bulk of the port's activities

Cultural diversity

History of cosmopolitan influences

BELGIUM'S ASTONISHINGLY institutions. diverse cultural scene is dominated, many would say enriched, by two facts of history — the tural heritage, Belgium boasts country's regional and linguistic the spectacular 15th century divide, and its position as one of Dutch town of Brugge, just a cou-the most invaded countries in ple of hours north of one of the

Devid Backs

Committee out

-T. W473 4.00 10.5

The split between the 57 per cent of the country who speak north-east and there is Brussels' Flemish in the north and the 42 splendid gothic town hall, with per cent who speak French in the art nouveau town houses of south, not to mention the one per Victor Horta, scattered through cent of German speaking Bel-the suburbs. It has a painting tra-gians in the east, is expressed as dition that runs from the early lecply in the nation's culture as 15th century, when the miniaturin politics. The roots of these ists, the Limbourg brothers, credivisions go back a long way, atel the Très Riches Heures du well before the 1830 Brussels revolution in which Belgium won van de Weyden, to the Brueghindependence from the Netherlands. For centuries, the region 20th century, there is Ostend-has been bombarded by cosmo-born James Ensor, whose sinister has been bombarded by cosmo-politan influences, having been occupied by the Romans, French. Spanish, Austrians, Dutch and Germans — a multi-cultural his-in the written word, Belgium can tory which makes Brussels a claim Liège-born Georges Sime-

finest Romanesque cathedrals in northern Europe, Tournai. Drive

exemplified sharply by the dance co-operative, national outcry provoked by last
Another controversial issne year's decision by Maurice Bejart has been the sale abroad last to move his internationally-re- year of many of Magritte's better nowed Ballet of the 20th century paintings and his most important to Lausanne in Switzerland. It letters and personal memorabilia, rows over funding with Mr Ger- between the painters relatives ard Mortier, the controversial and the tax authorities following Monnaie opera house. It meant government offered to accept the the loss of a genius who had kept most valuable works in place of

into the world in 1929 and Jac-ques Brel, the author-cum-singer. Hugo De Greef, Belgium's leading modern ballet impresario, is carv-Belgians are sensitive to sug-ing out a reputation among the gestions that their modern cul-cognoscenti for hosting successtural assets are being run down, ful new companies like the Rosas

was the culmination of a series of This was a result of a dispute director of the newly-revived his widow's death in 1986. The the Belgian ballet scene at the death duties, but the relatives centre of the world stage for 27 feared that would erode the value years and led to a storm of at anction of the rest and so recrimination.

decided to sell the full collection. Nobody doubts that Mr Bejart'a Luckily Magritte's widowhold departure was a great loss, but already left his 10 best paintings the Monnaie itself is building a to the state, though that had growing European reputation, been whittled down from a more especially for Mozart opera, generous figure after a row where it attracts regular audi-ences from as far afield as Paris. sels Museum of Modern Art,

has an historically lower profile claiming the 19th century Liège born composer Cesar Franck and his contemporary, Peter Benoît of Antwerp, creator of a distinctive Flemish school of music, as its best known figures. Yet classical music is where the country's present day cultural activities are especially strong. Both the north-ern Flemish and southern Wallonian regional executives run busy music festivals in several of their main towns from the early summer to antumn. Traditionally, the Flanders festival is the largest and is best known for its early music, the content of a series of concerts in July and Angust in Bruges. The Wallonian equivalent, while smaller, has a broader programme.

Details from Festival of Flanders, Eugeen Flageyplein 18, B-1050 Brussels, tel 02 648 1484; or Pestival of Wallonia, Rue des more than suitable host for most non, the creator of inspector Mai- And in contemporary dance, the where they now hang next to a Brasseurs 175, 5000 Namur, tel of the European Community's gret, Herge, who bought Tintin Brussels-based Kaaiteater, run by fuller collection of the works of 081 22 27 00. William Dawkins Liège has suffered from a poor labour record

An unfair handicap

one of the most bitter, protracted and widely-publicised strikes in

d'Industrialisation (SPI), a local industrial development organisa-tion. "If the situation on the spot was really as bad as is sometimes made out, a group like Boliden, which goes into this sort of thing with great care, would not have made the investment.

Things in Liège have been undeniably bad in the last 10 years as the westernmost city in Belgium has been dragged down by the weight of its traditional manufacturing industry (steel, coal and engineering), unemploy ment has rocketed to well above the national average, and the regional provincial anthorities have struggled to find dynamic

Worst of all, perhaps, the area's poor labour relations record has saddled Liège with an image in Europe and worldwide which has overshadowed its deserved and hard-earned reputa-tion for technical manufacturing skills. "When my hoss, or national politicians, go to the United States or Japan they usually get an enthusiastic response about Belgium — well-positioned in the centre of Europe, good pro-ductivity, et cetera. But too often they are told by people who have never set foot in the country that they don't even want to consider Liège or other cities with bad publicity in Wallonia," bemoans one local businessman.

poser Cesar Franck and Inspector Maigret author Georges Simenon,

area's two biggest and most pany Fabrique National Herstal

Forced to close its doors after manufacturer Fabrique National they do it perfectly. Liège has use of the most bitter, protracted — look like breaking even in 1988 been a centre of armaments and after years of heavy losses and mechanical engineering for 400 Belgium in recent times, part of tens of thousands of redundantials because of the iron which this Liège based company was cies, and the conscious and energetic drive to find new high technique. The iron which was found along the Meuse valley. The is a long tradition. Some recently bought out by Boliden of getic drive to find new high tech-sweden and promptly brought nology companies to replace the of our people are third-generation back into production with about declining industrial base now armaments worker and it is

The technical skills of Liège workers are widely renowned

A recent article in the maga-zine Le Vif Express pointed out that one third of all the Belgian sectors; and (not yet in place companies involved in space technology is located in Liège province, including IAL Space (Institut Astrophysique Liègeois) which does work for Nasa and the European Space Agency. Hybritech, a subsidiary of the US multinational Eli Lilly, set up in communications sector.

He is not alone in thinking that this is an unfair handicap. Although it cannot yet be said that a recovery is in full swing, there are growing signs that the city, celebrated among other things as the birthplace of composer Cesar Franck and Ingression of the city offers an attractive work-ing environment (it is not black and grimy), enjoys good communications (motorways in seven directions), is situated close to the West German and Dutch borders (thus inspiring a particular part of its capital and in the city offers an attractive work-ing enuity investments. Incentives (depending on the location within Liège province) and grimy), enjoys good communications (motorways in seven the city offers an attractive work-ing enuity investments. assets. Unlike many steel towns, its citizens) and is the centre of

official statistics are not available but there is no doubt that skills of Liège workers are entimwhile higher than the national average, the number of strikes has dropped dramatically; the biggest and most specified by the property of the property of

THE STORY of Cuivre et Zinc depressed employers - the giant (FN). "They have gold in their sums up the problem and the steel group Cockerill Sambre and hands," says Mr Sauvauge lyriopportunity. the world famous armaments cally. "When they want to work

200 of the workers who had lost their jobs.

"It really is a sign of hope," most promise for the future," is likely to be down from around says Mr Andre La Croix of the Liège-based Sociéfe Provinciale sophisticated technologies we to 5,700 at the end of the year, is now have a core of businesses, proof that a turnround can also notably in electronics, which has developed out of our traditional strength in metal fabrication, but also blotechnology, chemical conversion, and space-related activities."

proof that a turnround can also be achieved in larger companies. Although the company reported losses in Belgium of BFr1.8bn on turnover of BFr14.9bn in 1987, FN says that its position improved that a turnround can also be achieved in larger companies. says that its position improved markedly in the second half of last year and earlier this month indicated that it hopes to break

> Part of the improvement seems to stem from a fundamental management reorganisation, which has seen the group split into three largely decentralised divisions: Browing and its subsidiaries: FN Moteurs and its activisectors; and (not yet in place) defence and security interests.

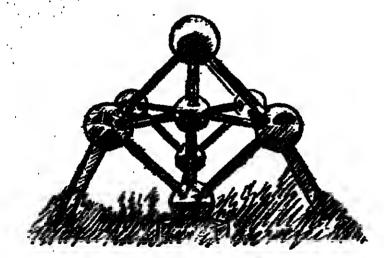
The drive for new businesses however, remains the region's priority and hopes for a boost to the region are being planed on the TGV (high speed train) going

through the city.

Besides SPI, which has speci-Liege six years ago, started its alised in business parks and European activities on the University of Liège campus and illus-trates the catalytic effect which this institution has had in gener-ating new economic develop-institution which selectively ment. Gillam, a growing com-pany of 30 to 40 people, has ness innovation centre Socran attracted attention in the tele-(which offers subsidised advice) and the Sociéfe Regional d'Inves-Notwithstanding its poor tissements de Wallonie (SRIW), industrial relations image, Liège through which the Walloon can justly boast a number of regional government makes equity investments.

the West German and Dutch bor-ders (thus inspiring a particu-larly European mentality among Zone privileges, which provide exemption from corporation tax

Tim Dickson



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LA ROUTE du Tapis . There may not be a street sign but that is how locals often refer to the motorway from Antwerp to Lille in northern France.

The name "carpet road" reflects not only the large concentration of textile firms in the Flanders region but also the over-all importance of the sector to the Belgian economy.

In terms of contribution to gross national product, it occu-pies fourth place, after metal manufacture, food, and chemi-cals Including clothing manufacture, it employs 97,500 people, or 12.5 per cent of the industrial

(2,050 specialise in clothes) represent 13 per cent of all factories. And the BFr80bn of added value earned by the sector is equivalent to 7.5 per cent of total added value for Belgian manufacturing

in many ways, textile compa-nies in Belgium mirror the struc-ture of the wider economy. The vast majority are small to medi-um-sized, family controlled and heavily export-oriented (80 per

Reznor Europe, is fond of saying that his company's manufactur-

ing plant on the Belgian border with France is at "the crossroads of Europe". But Mr Palmer's

enthusiasm for his company'e

location in West Flanders goes beyond his company'e enviable

trial markets. Reznor is a good example of a company which is achieving results with a Belgian

workforce despite high labour

air heating and ventilation equip-ment in Belgium for industry and

fitted from an adaptable and highly literate workforce which

ets considerable store on job sta-

bility after unhappier times in

the 1960s, when many were "bor-

der workers" in the textile indus-

Reznor came to Belgium under

the ownership of ITT with the the grandson of the founder Jesse B Reznor at the helm. Steered

through the 1960s and difficult

1970s, Reznor Europe has emerged with its new owner, Bul-

lough , as market leader in

try of northern France.

Reznor has been making warm

erce since 1964. It has bene-

Tim Dickson on the textile industry

Material well-being

They cover a wide range of products - from household textiles, like carpets and furniture coverings, to clothes and industrial products - and boast a number of well known names such as Beaulien (in carpets), UCO (cotton yarns and jeans) and Dewitter Lietzer (auto textiles and household linen). The last two are quoted on the Brussels

over the next two years it suf-employment has levelled out fered from a failure to invest dur-ing the prosperous years, from ous decade; and, as Kredietbank's cheap garment imports from Asia, and from Belgium's deteriorating overall competitive eco-

Profile: Reznor Europe

A quality workforce

cations for each EC member state will help Reznor's production

costs, though all Reznor product

are already homologated by the official approval bodies — such as British Gas in the UK — of all

European countries. More signifi-

cant benefits for Reznor from

1992 are likely to come from its

competitors' ability to widen their markets and so spread the

good name of warm air heating. As market leader, with a well-established reputation for heat-

ing solutions amongst its custom-

ers, Reznor recognises its contin-ued success will depend on the

quality of each one of its heaters,

many of which are custom made. The basic principle behind warm

air heaters is simple. A flow of natural gas is burned in a series of pipes called a heat exchanger, while a fan blows air past the pipes turning it into a steady

stream of hot air. The trick is to

design the most efficient heat

Europe, taking a share of more exchanger - Reznor claims its High labour costs however, help than one-third of the warm air heaters achieve about 93 per cent to justify the investment Reznor

excess of £10m.

Quality control is where being in Belgium becomes important.

nor has clearly had to fight its Mr Palmer reckons his workforce

way into European markets well is "smarter" than he would in advance of 1992. Bringing into expect to find in most other coun-

line the mass of technical specifi- tries. The high level of literacy

TIM PALMER, chief executive of market with annual sales now in efficiency

voting capital and subsidised loans, backing for research and development, and other commer-cial activities, and help with the costs of re-training and redeploying personnel

Private investment over the last five to six years has averaged BFr11bn to BFr12bn (BFr14bn in Belgium's textile sector pros-Belgium's textile sector pros-pered mightily until 1973, but and at the start of the 1980s; employment has levelled out analyst confirms, "the sector is now in quite a competitive situa-

nomic position.

According to Mr Luc Santens, Ideally, the association would nies will continue to rely on their nimbleness and flexibility to surment's "Textile Plan", introduced try association, Belgian textile of subsidies with fiscal incen-

among the 128 employees means that his workers understand any

Holiday entitlement

reaches 35 days a year

hiccup along the production line and will readily respond. "Only one person here has difficulty in reading and writing and that's me," says Mr Palmer engagingly.

In practice, he seems at home with the language despite diffi-cult local dialects, though British

businessmen thinking of setting up in Flanders would be well-ad-

importance of speaking Dutch. Offset against the attraction of

the Flemish workforce, labour

in 1981, the sector is currently firms are well placed to confront standards that inhibit free trade, enjoying better times. This five the challenges of the internal and little public-sector business year programme provided finan. European market; but he is nev-that is likely to offer a lucrative cial support in the form of non-ertheless concerned on several new opportunity in the event of fronts.

> while denying that it is protec-tionist, is anxious to maintain from low-wage competitors.
>
> Closer to home, however, it is clearly apprehensive about the government's continuing committee to hydrature support and the property of the property and the propert ment to budgetary support, and aside for interest rate subsidies

thinks is necessary to stay at the forefront of heating technology. Reznor employs compoter-aided

design and computer-run manufacturing processes. Even so, production and quality control remain relatively labour inten-

In addition, Reznor'e business

is seasonal, peak productor com-ing between mid-September and mid-February. Working arrange-ments agreed with the workforce

and unions mean that Reznor's

employees often work as little as

four days a week during the sum-mer, while the return to high sea-

son can mean a working week of upto 42 hours. This suits both

parties since many employees

have small agricultural holdings and are able to enjoy the longer

Holidays in Belgium for Reznor

are longer too, entitlement reach-

ing as many as 35 days a year.

Unsurprisingly, employees are encouraged to take the bulk of it

With harmonious work prac-

tices in Belgium, Reznor's future

performance is firmly linked to

the continued expansion of natu-

ral gas in Europe. The advan-

tages of gas are only beginning to

be appreciated by some countries

- Sweden, for example - disaffected with other sources of

energy such as nuclear power.

Others, like Spain and West Ger-

Hugo Gerard

costs are steen - according to many, are looking to natural gas Palmer, almost twice as high as a cleaner, more plentiful, alternative to oil.

during the low season.

tives, which it claims would not only be simpler but would direct resources towards the strongest profit-making concerns.

The prospect of a Europe with out barriers is not likely to trans-

form the textile industry, according to observers in Belgium.

There is little internal market protection, virtually no technical standards that inhibit free trade, restrictions. on a European scale, Febeltex. ment policies.

In this respect, the Belgian army uniform contract is some-

benefit from speedier delivery times if Value Added Tax can be is lobbying hard for an increase harmonised and customs formalin the BFr1bn that has been set ties kept to a minimum. A ques tion is whether the threat of in 1988. Given the high rate of more competition will lead to investment - and the high level concentration of a highly fragof real interest rates - Febeltax mented sector (as has happened officials say that BFr2.5bn is in the UK and France, for examrequired.

ple), or whether Belgian compalideally, the association would nies will continue to rely on their

Information for the traveller

■ Currency: Belgian franc 100 centimes = BFr 1. Exchange rate BF166 = £1 (June 1988).

© Currency regulations: Import no restrictions. Export no

Tipping: Hotel staff BFr40-50. Restaurants service included in hill. Taxis nil. Porters BFr30. Credit cards: Amex, Diners, Eurocard, Visa. ■ Visas: Not required by US, Japanese, most European

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Business hours: Offices 09.00-17.30 (Mon-Fri); shops AC 50 cycles.



09.00-18.00 (Mon-Sat); banks 09.30-15.30 (Mon-Fri). Business languages: Dutch, French, German and English, m National holidays: Jan 1, May 1, July 21, Ang 15, Nov 1,

but a Belgian licence is obligatory for residents.

Water: Tap water is safe to

2, 11, Dec 25,26.

Climate: Temperate. Wet winters, usually snow Dec-Mar.

Driving licence: International and foreign accepted,

■ Electricity supply: 220 volts

Profile: Euroclear

Back office expands

BEHIND AN unassuming con- ated under contract by Morgan changeable. However, there is crete facade near the centre of Guaranty. Brussels is the clearing house. Euroclear. It handles roughly two-thirds of the world's internationally traded securities, yet it is little known outside bond-dealing rooms. From Tokyo to Wall Street, Brussels is sent an aver-age of 30,000 international trans-actions a day to be cleared.

Euroclear was founded in 1968 by Morgan Guaranty, the US bank, to provide a centralised clearing system for other banks fast-growing Eurobond business - "a back office's back office." jokes one of its 650 staff. It is now branching outside that tradi-tional business into other instruments, including 200 international equities, its fastest growth area despite last October's stock market crash

Euroclear's only competitor, Cedel, was founded in Luxembourg in the early 1970s, initially to specialise in clearing bonds for the non Anglo-Sexon banks that felt measy dealing with a purely American organisation. However, Euroclear's US identity is less strong now that it is owned by the 126 largest banking and brok-

Today. Euroclear prides itself on handling 24 currencies in 20

The value of deals processed by Euroclean's computers on behalf of the system's 2,307 participants was just over \$3,000hn last year, roughly twice the \$1,560hn cleared by Cedel. Both of them are continuing to see business grow steadily, though Euroclear's turnover is growing less fast than in earlier years. For Euroclear, the slowdown was from a 48 per cent jump in turnover in 1985-86

to 32 per cent last year.
"It is a welcome period of sub-dued growth because it allows us to plan our next step. The devel-opment of international capital markets into one international market-place is irreversible -and that poses some considerable technological and regulatory challenges, says Mr Henning Toensmann, the Morgan Guaranty vice-president in charge of

Euroclear's commercial division. Euroclear and Cedel have been co-operating since last September, with the help of the Associa-tion of International Bond Dealers, to offer an electronic bridge ing users of the system and oper- to make their two systems inter-

separate pressure from stock exchange authorities round the world to create a single global system for clearing all kinds of securities – and the position of Euroclear and Cedel in all this is

still uncertain. A more immediate challenge is how Euroclear copes with different and sometimes conflicting national rules on equities dealing as it expands this area of the business. Euroclear acts as a nominee holder for all the securi-ties it clears, which could pose a problem under the UK Stock Exchange rule that the holder of 29.9 per cent of the shares in a company must antomatically bid for the rest.

This could force us to trigger a bid, and for that reason we have not taken UK shares into the system," says Mr Toensmann. It is the loss of a big opportunity - but then clearing Japanese equities is at the top of Mr Toens mann's list just now. He hopes to have resolved a few complica-tions on holding tax regulations to be ready to clear deals on the Tokyo market by the time the symmet is out

William Dawkins

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Europa Hotel,107 rue de la Loi, 1040 Brussels, tel 230 13 33, tx 25121; Sheraton Hotel, 3 Piace Rogier,1000 Brussels, tel 219 34 00, tx 26387; Hilton Interna-tional, 38 Boulevard de Water-loo, 1000 Brussels, tel 513 88 77. tx 22,744; Hyatt Regency, 250 rue Royale, 1210 Brussels, tel 217 12 34, tx 61871; Stephanie Hotel, 91-93 Avenue Louise, 1050 Brussels, tel 539 02 40, tx 61871: Metropole Hotel, 31 Piace de Brouckere, 1000 Brussels, tel 217 23 00, tx 21234.

■ Useful addresses: National Bank, Banque Nationale de Belgique, 5 Blvd de Berlaimont, 1000 Brussels, tel 219 46 00. Govt Statistics, Institut National de Statistique, 44 rue de Louvain, 1000 Brussels, tel 513 96 50. Federation des Enterprises de Belgique, Belgium Employers Association. 4 Rue Ravenstein, 1000 Brussels, tel 515 08 11, British Chamber of Commerce, 30 rue Joseph 11, 1040 Brussels, tel 219 07 88. American Chamber of Commerce, 11 ave des Arts, 1040 Brussels, tel 513 67 70. Chambers of Commerce: Brussels -Chambre de Commerce de Bruxelles, 500 Av Louise, 1050 Brussels, tel 648 50 02; Antwerp - Kamer van Koophande Nijver van Antwerpen, Mark-gravestraat 12, 2000 Antwerp; Ghent – Kamer van Koophandel, Nijverheid van het Gewest Ghent, Building Lieven Bau-wens, 15 Martelaarsin, 9000 Chambre de Commerce et d'Industrie de Liège. Rue des Augustins 46, 4000 Liège, tel 23

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KEYFACTS (inmillionBelgianFrancs)

	1986	1987	75	
Balance sheet	1.308.699	1,491.606	+14,0	
Savings	1.111.569	1.208.803	+ 8.7	
Equity	21.281	23,031	+ 8,2	

HEAD OFFICE Crédit Communal de Belgique c/o International Division P2/4 Boulevard Pachéco 44, 1000 Brussels.

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